FRANCES BAARD DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2012

INDEX **PAGE**

1	General Information	GI-1
2	Report from the Auditor General	
4	Accounting Policies	AP-1
5	Statement of Financial Position	FS-1
6	Statement of Financial Performance	FS-2
7	Statement of Changes in Net Assets	FS-3
8	Cash Flow Statement	FS-4
9	Notes to the Annual Financial Statements	FS-5
10	Appendix A: Schedule of External Loans (Unaudited)	FS-75
11	Appendix B: Analysis of Property, Plant and Equipment (Unaudited)	FS-76
12	Appendix C: Segmental Analysis of Property, Plant and Equipment (Unaudited)	FS-77
13	Appendix D: Segmental Statement of Financial Performance (Unaudited)	FS-78
14	Appendix E (1): Actual versus Budget (Revenue and Expenditure) (Unaudited)	FS-79
15	Appendix E (2): Actual versus Budget (Acquisition of Property, Plant and Equipment) (Unaudited)	FS-80

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED ON 30 JUNE 2012

	Note	2012 R	2011 R
NET ASSETS AND LIABILITIES			
Net Assets		**90 926 238**	**86 409 607**
Capital Replacement Reserve		5 522 089	4 411 867
Government Grant Reserve		-	-
Revaluation Reserve		21 379 051	5 828 305
Accumulated Surplus / (Deficit)		64 025 098	76 169 435
Non-current Liabilities		**34 011 930**	**32 913 606**
Long-Term Liabilities	1	11 485 678	12 814 927
Employee Benefits	2	22 526 252	20 098 679
Current Liabilities		**14 904 756**	**13 516 295**
Current Employee Benefits	3	6 024 487	5 228 584
Trade Payables from Exchange Transactions	4	5 368 725	2 267 558
Unspent Conditional Grants and Receipts	5	2 178 633	4 727 383
Operating Lease Liability	6.1	-	-
Current Portion of Long-term Liabilities	1	1 332 911	1 292 770
TOTAL: NET ASSETS AND LIABILITIES		**139 842 924**	**132 839 508**
ASSETS			
Non-current Assets		**47 500 516**	**52 407 097**
Property, Plant and Equipment	7	46 530 537.32	51 574 304
Non-Current Assets Held for Sale	8	75 154.88	-
Investment Property	10	-	-
Intangible Assets	11	894 823	832 793
Financial Assets	12	-	-
Long-term Receivables	13	-	-
Current Assets		**92 342 409**	**80 432 411**
Taxes	14	1 189 493	1 489 596
Trade Receivables from Exchange Transactions	15	-	-
Trade Receivables from Non-Exchange Transactions	16	1 680 585	2 184 489
Operating Lease Asset	6.2	8 241	9 383
Inventory	18	349 926	370 274
Current Portion of Long-term Receivables	13	-	-
Discontinued Operations	9	-	344 298
Current Financial Assets	12	2 900 000	2 906 218
Cash and Cash Equivalents	19	86 214 164	73 128 152
TOTAL: ASSETS		**139 842 924**	**132 839 508**

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED ON 30 JUNE 2012

Budget 2012 R	Budget 2011 R		Note	Actual 2012 R	Actual 2011 R
		REVENUE			
101 408 600	105 307 940	**Revenue from Non-Exchange Transactions**		**89 164 529**	**90 506 744**
-	386 740	***Taxation Revenue***		-	-
-	384 740	Property Rates - DMA	20	-	-
-	2 000	Property rates - penalties imposed and collection charges		-	-
101 408 600	104 921 200	***Transfer Revenue***		88 913 873	90 264 456
67 645 000	62 056 000	Regional Service Levy Replacement Grant	22.1	67 645 000	62 056 000
33 763 600	42 865 200	Government grants and subsidies	22.2	21 148 873	28 208 456
		Public contributions	22.3	120 000	-
-	-	***Other Revenue***		250 656	242 288
-	-	Fines		-	-
-	-	Actuarial Gains		250 656	242 288
5 913 400	7 426 770	**Revenue from Exchange Transactions**		**6 081 012**	**7 335 653**
-	14 450	Service charges	21	-	-
90 000	50 000	Rental of facilities and equipment		507 491	254 499
4 878 000	5 580 000	Interest earned - external investments		5 491 386	5 337 922
	590 000	Income for agency services		-	685 046
80 000	90 000	Gains on disposal of property, plant and equipment		-	302 302
865 400	1 102 320	Other income	23	82 135	755 884
107 322 000	**112 734 710**	**Total Revenue**		**95 245 541**	**97 842 397**
		EXPENDITURE			
38 474 990	37 744 320	Employee related costs	24	33 908 509	31 783 065
5 521 430	4 550 380	Remuneration of Councilors	25	4 595 182	4 315 775
3 000	115 500	Bad debts		-	580 000
3 625 550	3 357 600	Depreciation / Impairment		22 441 406	3 368 524
		Amortisation	11	121 078	111 012
		Actuarial Losses		1 514 214	655 877
3 427 150	2 648 300	Repairs and maintenance		2 313 608	2 679 743
		Finance Charges - Employee Benefits		1 742 832	1 786 691
2 015 410	1 637 430	Finance Charges	26	1 516 165	1 641 000
-	13 750	Bulk purchases	27	-	-
-	5 567 760	Contracted services		2 512 257	1 462 860
42 664 050	51 444 689	Grants and subsidies paid	29	26 381 679	28 326 868
15 686 670	12 161 855	General expenses	30	8 603 546	7 838 782
-	-	Loss on disposal of property, plant and equipment		615 192	48 246
	-	Changes in Fair Value		-	-
111 418 250	**119 241 584**	**Total Expenditure**		**106 265 668**	**84 598 443**
(4 096 250)	**(6 506 874)**	**SURPLUS / (DEFICIT) FOR THE YEAR**		**(11 020 127)**	**13 243 954**
-	-	Discontinued operations			
-	-	Revenue	31	-	428 377
		Expenditure	31	(251 593)	(48 903)
(4 096 250)	**(6 506 874)**	**NET SURPLUS / (DEFICIT) FOR THE YEAR**		**(11 271 720)**	**13 623 428**

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED ON 30 JUNE 2012

	Capital Replacement Reserve R	Government Grant Reserve R	Revaluation Reserve R	Accumulated surplus (Deficit) R	Total R
2011					
Balance at 1 July 2010	3 652 491	-	6 065 911	62 896 454	72 016 942
Change in Accounting Policy - Note 33	-	-	-	-	-
Prior year errors - Note 32	-	-	-	171 325	171 325
Restated balance at 1 July 2010	3 652 491	-	6 065 911	63 067 778	72 188 267
Surplus/(deficit) for the year	-	-	-	13 623 428	13 623 428
Revaluation of Land & Buildings	-	-	-		-
Transfer to Capital Replacement Reserve	4 415 020	-	-	(4 415 020)	-
Property, plant and equipment purchased	(3 655 643)	-	-	3 655 643	-
Capital grants used to purchase Property Plant & Equipment	-	-	-	-	-
Donated/contributed Property Plant & Equipment	-	-	-	-	-
Asset disposals	-	-	-	-	-
Offsetting of depreciation	-	-	(237 605)	237 605	-
BALANCE AT 30 JUNE 2011	**4 411 867**	**-**	**5 828 305**	**76 169 435**	**85 811 694**
2011					
Correction of error (Note 32)	-	-	-	-	-
Change in accounting policy (Note 33)	-	-	-	-	-
RESTATED BALANCE	**4 411 867**	**-**	**5 828 305**	**76 169 435**	**85 811 694**
2012					
Surplus/(deficit) for the year	-	-	-	(11 271 720)	(11 271 720)
Revaluation of Land & Buildings	-	-	15 788 351	-	15 788 351
Transfer to Capital Replacement Reserve	3 450 000	-	-	(3 450 000)	-
Property, plant and equipment purchased	(2 339 778)	-	-	2 339 778	-
Capital grants used to purchase Property Plant & Equipment	-	-	-	-	-
Donated/contributed Property Plant & Equipment	-	-	-	-	-
Asset disposals	-	-	-	-	-
Offsetting of depreciation	-	-	(237 605)	237 605	-
BALANCE AT 30 JUNE 2012	**5 522 089**	**-**	**21 379 051**	**64 025 098**	**90 328 325**

FRANCES BAARD DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30 JUNE 2012

	Note	2012 R		2011 R	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other		1 636 851		2 455 429	
Government grants		86 365 123		89 947 488	
Interest		5 491 386		5 337 922	
Dividends				-	
Payments					
Suppliers and employees		(48 844 951)		(52 431 372)	
Finance charges		(1 516 165)		(1 641 000)	
Transfers and Grants		(26 381 679)		(28 326 868)	
CASH GENERATED BY OPERATIONS	34	**16 750 565**		**15 341 599**	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(2 198 554)		(4 177 319)	
Purchase of Investment property				-	
Proceeds on Disposal of Fixed Assets				302 302	
Purchase of Intangible Assets		(183 108)		(158 374)	
Decrease in Long-term Receivables				-	
Decrease/(Increase) in Non-current Investments		6 218		(88 464)	
NET CASH FROM INVESTING ACTIVITIES		**(2 375 444)**		**(4 121 855)**	
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans repaid		(1 289 109)		(1 158 900)	
New loans raised				-	
Increase in Consumer Deposits					
NET CASH FROM FINANCING ACTIVITIES		**(1 289 109)**		**(1 158 900)**	
NET CASH FROM ACTIVITIES		**13 086 012**		**10 060 844**	
NET DECREASE IN CASH AND CASH EQUIVALENTS		**13 086 012**		**10 060 844**	
Cash and cash equivalents at the beginning of the year		73 128 152		63 067 308	
Cash and cash equivalents at the end of the year	19	86 214 164		73 128 152	

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
1	**LONG-TERM LIABILITIES**		
1.1	Local Registered Stock Loans	-	-
1.2	Annuity Loans	12 784 290	13 948 476
1.3	Capitalised Lease Liability	34 299	159 221
1.4	Government Loans	-	-
	Sub-total	**12 818 588**	**14 107 697**
	Less : Current portion transferred to current liabilities	**1 332 911**	**1 292 770**
	Local Registered Stock Loans	-	-
	Annuity Loans	1 298 612	1 167 848
	Capitalised Lease Liability	34 299	124 923
	Government Loans	-	-
	Total Long-Term Liabilities	**11 485 678**	**12 814 927**
	Total Interest Paid		
	Local Registered Stock Loans	-	-
	Annuity Loans	1 500 396	1 607 683
	Capitalised Lease Liability	15 770	33 317
	Government Loans	-	-
	Total Interest Paid	**1 516 165**	**1 641 000**

1.1 Registered Stock Loans

No Stock Loans are registered in the name of Frances Baard District Municipality

		2012 R	2011 R
1.2	**Anuity Loans**		
	Balance at the beginning of the year	13 948 476	15 000 000
	Received during the period	-	-
	Redeemed, written off during the period	1 164 186	1 051 524
	Balance at the end of the financial year	**12 784 290**	**13 948 476**
	Less: Transferred to Current Liabilities	1 298 612	1 167 848
	Total Anuity Loans	**11 485 678**	**12 780 628**
	Interest paid during the year	**1 500 396**	**1 607 683**
	The obligations under anuity loans are scheduled below:		
		Minimum Anuity Loan Payments	
	Amounts payable under anuity loans:		
	Payable within one year	2 659 207	2 659 207
	Payable within two to five years	10 636 829	10 636 829
	Payable after five years	5 318 414	7 977 622
		18 614 451	21 273 658
	Less: Future finance obligations	(5 830 161)	(7 325 182)
	Present value of anuity loan obligations	**12 784 290**	**13 948 476**

		2012 R	2011 R
1.2.1	**Development Bank of Southern Africa**		
	Construction of new Council Chamber & offices		
	Loan No. 103363/1		
	Redeemable: 10 Years		
	Balance at the beginning of the year	13 948 476	15 000 000
	Received during the period	-	-
	Redeemed, written off during the period	1 164 186	1 051 524
	Balance at the end of the financial year	**12 784 290**	**13 948 476**
	Less: Transferred to Current Liabilities	1 298 612	1 167 848
	Total: Development Bank of Southern Africa	**11 485 678**	**12 780 628**
	Interest paid during the year	**1 500 396**	**1 607 683**

A fixed term loan over a period of 10 years was taken up with the Development Bank of Southern Africa to construct a new council Chaimber and offices. In terms of the service level agreement, as amended, the loan will be repaid in 18 six -monthly instalments with the first instalment payable on 31 December 2010 at a interest rate of 10.9 %. Interest payments commenced on 30 June 2009.

1.3	**Capitalised Lease Liability**		
	Balance at the beginning of the year	159 221	266 597
	Received during the period	-	-
	Redeemed, written off during the period	124 923	107 376
	Balance at the end of the financial year	**34 299**	**159 221**
	Less: Transferred to Current Liabilities	34 299	124 923
	Total: Capitalised Lease Liability	**0**	**34 299**
	Interest paid during the year	**15 770**	**33 317**

	2012 R	2011 R
The obligations under Capitalised Lease Liability are scheduled below:		
	Minimum Capitalised Lease Liability Payments	
Amounts payable under capitalised lease liability:		
Payable within one year	34 299	140 692
Payable within two to five years	-	35 173
Payable after five years	-	-
	34 299	175 865
Less: Future finance obligations	(874)	(16 644)
Present value of capitalised lease liability	**33 424**	**159 221**

A financing lease over three years payable in 36 installments was taken up to aquire a photo copier.

1.4 Government Loans

No Government Loans registered in the name of Frances Baard District Municipality

2 EMPLOYEE BENEFITS

Employment Benefits		
Post Employment Health Care Benefits	22 763 773	20 022 772
Ex-Gratia Pension Benefits	575 935	833 299
Long Service Leave Awards	1 021 384	789 848
	24 361 092	**21 645 918**
Less Short Term Portion Transferred to Current Employee Benefits	(1 834 841)	(1 547 239)
Total Employee Benefits	**22 526 251**	**20 098 679**

EMPLOYEE BENEFITS

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
Post Employment Health Care Benefits		
Balance 1 July	20 022 772	18 576 826
Contribution for the year	1 917 267	2 051 757
Expenditure for the year	(581 646)	(1 203 492)
Actuarial Loss/(Gain)	1 405 381	597 681
Total post retirement benefits 30 June	22 763 773	20 022 772
Less: Transfer of Current Portion to Current Employee Benefits - Note 3	(1 545 000)	(1 369 008)
Balance 30 June	21 218 773	18 653 764
Long Service Leave Awards		
Balance 1 July	789 848	1 013 696
Contribution for the year	201 806	179 322
Expenditure for the year	(79 103)	(160 882)
Actuarial Loss/(Gain)	108 833	(242 288)
Total provision 30 June	1 021 384	789 848
Less: Transfer of Current Portion to Current Employee Benefits - Note 3	(218 587)	(102 645)
Balance 30 June	802 797	687 203
Ex-Gratia Pensions		
Balance 1 July	833 298	782 896
Contribution for the year	69 122	63 460
Expenditure for the year	(75 829)	(71 254)
Actuarial Loss/(Gain)	(250 656)	58 196
Total long service 30 June	575 935	833 298
Less: Transfer of Current Portion to Current Employee Benefits - Note 3	(71 254)	(75 586)
Balance 30 June	504 681	757 712

	2012 R	2011 R
Total Employee Benefits		
Balance 1 July	21 645 918	20 373 418
Contribution for the year	2 188 195	2 294 539
Expenditure for the year	(736 578)	(1 435 628)
Actuarial Loss/(Gain)	1 263 558	413 589
Total long service 30 June	**24 361 092**	**21 645 918**
Less: Transfer of Current Portion to Current Employee Benefits - Note 3	(1 834 841)	(1 547 239)
Balance 30 June	22 526 251	20 098 679

2.1 Post Retirement Health Care Benefits

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continuation member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The Post Employment Health Care Benefit plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	47	49
Continuation members (e.g. retirees, widows, orphans)	51	50
Total Members	**98**	**99**

The liability in respect of past service has been estimated to be as follows:

In-service members	2 940 292	3 209 359
Continuation members	19 823 482	16 813 413
Total Liability	**22 763 774**	**20 022 772**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

	2012 R	2011 R

Bonitas;
Keyhealth
LA Health
ProSano
SAMWU Medical Aid

The Future-service Cost for the ensuing year is estimated to be R 304,037, whereas the Interest- Cost for the next year is estimated to be R1 613 200.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	7.18%	8.34%
Health Care Cost Inflation Rate	6.77%	7.23%
Net Effective Discount Rate	0.39%	1.04%

ii) Mortality rates
The PA 90 ult. Mortality table was used by the actuaries.

iii) Normal retirement age
The normal retirement age for employees of the municipality is 60 years.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	22 763 773	20 022 772
Fair value of plan assets	-	-
Unrecognised past service cost -	-	-
Unrecognised actuarial gains / (losses) -	-	-
Present value of unfunded obligations	-	-
Net liability / (asset)	**22 763 773**	**20 022 772**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	20 022 772	18 576 826
Current service cost	304 037	412 556
Interest Cost	1 613 230	1 639 201
Benefits Paid	(581 646)	(1 203 492)
Total expenses	**21 358 392**	**19 425 091**
Actuarial (gains) / losses	1 405 381	597 681
Present value of fund obligation at the end of the year	**22 763 773**	**20 022 772**
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets -	-	-
Contributions : employer	-	-
Contributions : employee -	-	-
Past service costs -	-	-
Actuarial (gains) / losses -	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:	**+1%**	**-1%**
Effect on the aggregate of the current service cost	333 500	197 800
Effect on the defined benefit obligation	2 117 200	1 608 400

2.2 Long Service Bonusses

The Long Service Bonus plans are defined benefit plans. As at year end, 120 employees were eligible for Long Service Bonuses.

The Future-service Cost for the ensuing year is estimated to be R 84,030, whereas the Interest- Cost for the next year is estimated to be R 60,480.

Key actuarial assumptions used:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
i) Rate of interest		
Discount rate	6.57%	8.18%
General Salary Inflation (long-term)	5.95%	6.20%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	58.00%	1.86%
Analysis of accrued liability		
Fair value of plan assets -	-	-
Accrued Liability	1 021 384	789 848
Unrecognised past service cost -	-	-
Present value of unfunded obligations	-	-
Net liability / (asset)	**1 021 384**	**789 848**
Reconciliation of accrued liability values:		
Present value of fund obligation at the beginning of the year	789 848	1 013 696
Current service cost	141 326	95 292
Present value of fund obligation recognised for the first time		
Interest Cost	60 480	84 030
Benefits Paid	(79 103)	(160 882)
Total expenses	**912 551**	**1 032 136**
Actuarial (gains) / losses	108 833	(242 288)
Present value of fund obligation at the end of the year	**1 021 384**	**789 848**
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets -	-	-
Contributions : employer	-	-
Contributions : employee	-	-
Past service costs	-	-
Actuarial (gains) / losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
The effect of a 1% movement in the assumed rate of general salary inflation is as follows:	**+1%**	**-1%**
Effect on the aggregate of the current service cost	221 819	197 574
Effect on the defined benefit obligation	286 575	253 336

2.3 Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefit plans are defined benefit plans. As at year end, 4 former employees were eligible for Ex-Gratia Benifits.

There is no Current-service cost as there are no in-service members eligible for ex-gratia pension benefits, whereas the Interest- Cost for the next year is estimated to be R 60 480

Key actuarial assumptions used:

	2012 R	2011 R
i) Rate of interest		
Discount rate	5.82%	7.94%
Benefit Increase Rate (CPI Inflation)		5.38%
Analysis of accrued liability		
Fair value of plan assets -	-	-
Accrued Liability	575 936	833 299
Unrecognised past service cost -	-	-
Unrecognised actuarial gains / (losses) -	-	-
Present value of unfunded obligations	-	-
Net liability / (asset)	**575 936**	**833 299**
Reconciliation of accrued liability values:		
Present value of fund obligation at the beginning of the year	833 299	782 897
Current service cost		-
Present value of fund obligation recognised for the first time		-
Interest Cost	69 122	63 460
Benefits Paid	(75 829)	(71 254)
Total expenses	**826 592**	**775 103**
Actuarial (gains) / losses	(250 656)	58 196
Present value of fund obligation at the end of the year	**575 936**	**833 299**
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets -	-	-
Contributions : employer	-	-

	2012 R	2011 R
Contributions : employee	-	-
Past service costs	-	-
Actuarial (gains) / losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

The effect of a 1% movement in the assumed inflation is as follows:	**+1%**	**-1%**
Effect on the interest cost	75 639	63 500
Effect on the defined benefit obligation	586 491	566 167

2.4 Retirement Funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fundadministrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipalitywas unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

CAPE JOINT PENSION FUND

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund has a funding level of 98,1% (30 June 2010 - 100%).

Contributions paid recognised in the Statement of Financial Performance	-	-

		2012 R	2011 R

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund is in a sound financial position with a funding level of 116,9% (30 June 2010 - 100,3%).

Contributions paid recognised in the Statement of Financial Performance	3 567 202	3 322 534

DEFINED CONTRIBUTION PLANS

Council contribute to the Municipal Council Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund	156 237	319 480
SAMWU National Provident Fund	15 556	14 553
	171 792	**334 033**

3 CURRENT EMPLOYEE BENEFITS

3.1	Performance Bonusses	390 833	405 240
3.2	Staff Leave	2 806 740	2 370 735
3.3	Staff Bonuses	992 072	905 370
	Current Portion of Non-Current Employee Benefits - Note 2	1 834 841	1 547 239
	Total Provisions	**6 024 487**	**5 228 584**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
3.1	**Performance Bonuses**		
	Balance at beginning of year	405 240	491 556
	Transfer from non-current	-	-
	Contributions to provision - current year provision	209 320	405 240
	Contributions to provision - prior year over provision	-	-
	Expenditure incurred	(223 727)	(491 556)
	Balance at end of year	**390 833**	**405 240**
3.2	**Staff Leave**		
	Balance at beginning of year	2 370 735	2 212 376
	Transfer from non-current	-	-
	Contributions to provision - current year provision	882 771	158 359
	Contributions to provision - prior year over provision	-	-
	Expenditure incurred	(446 766)	-
	Balance at end of year	**2 806 740**	**2 370 735**
3.3	**Staff Bonuses**		
	Balance at beginning of year	905 370	765 684
	Transfer from non-current	-	-
	Contributions to provision - current year provision	1 499 583	1 608 094
	Contributions to provision - prior year over provision	-	-
	Expenditure incurred	(1 412 881)	(1 468 408)
	Balance at end of year	**992 072**	**905 370**

Annual leave provision is based on the total number of leave days due on 30 June, at individual salary values effective on the reporting date.(Nett movement on leave provision included in employee cost for the financial year under review)

Council does not make provision for leave benefits due to the Roads Agency personnel.

Obligations for accumulated leave at the reporting date amount to:	-	-

Roads Agency obligations are dealt with as part of the annual operating subsidy provided by the principal.

All leave relating to Roads Agency Personnel to the amount of R459,201 has been paid on 30 June 2011 due to the transfer of the roads function back to the Department as from 1 July 2011.

Performance bonusess are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date and no present obligation exists.

		2012 R	2011 R
4	**TRADE PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Other Creditors	5 368 725	2 267 558
	Total creditors at year end	**5 368 725**	**2 267 558**
	Other Creditors		
	Payments received in advance	11 814	37 252
	Retentions	341 906	432 923
	Creditors Control	2 018 012	-
	Sundry Creditors	2 902 576	939 116
	ABSA Fleet Card	-	61 454
	Salary Control: - Medical Aid	1 732	-
	Salary Control: - SITE / PAYE	2 303	-
	Salary Control: - Garnishing Order	500	-
	Salary Control:- Workmen's Compensation	85 683	329 968
	Salary Control - Traffic Fines	200	700
	Stale Cheque Account	4 000	-
	Suspense Account	-	466 145
	Total: Other Creditors	**5 368 725**	**2 267 558**

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

5	**UNSPENT CONDITIONAL GRANTS AND RECEIPTS**		
5.1	**Conditional Grants from Other Spheres of Government**	**2 178 633**	**4 727 383**
5.1.1	Equitable Share	-	-
5.1.2	Financial Management Grant	-	-
5.1.3	Municipal Systems Improvement Grant	-	-
5.1.4	DWA - Sanitation (Mvula Trust)	-	1 489 217
5.1.5	NC Tourism - Contribution Tourism Month	-	-
5.1.6	Department of Public Works: Expanded Public Works Program Incentive	-	-
5.1.7	District Aids Council	-	114 682
5.1.8	NEAR Control Centre	569 000	-
5.1.9	NCPA - Housing Accreditation Grant	713 191	1 077 953

		2012 R	2011 R
5.1.10	NCPA Firefighting Equipment	723 364	352 364
5.1.11	NCPA - Eradication of Bucket System	-	-
5.1.12	MIG - Projects	-	-
5.1.13	SETA - Skills Grant	-	-
5.1.14	NCPA: Vuna Awards	-	-
5.1.15	DWA: Backlogs in Water & Sanitation at Clinics and Schools	-	-
5.1.16	NCPA: EPWP: DMA Bush Clearance	106 969	185 421
5.1.17	NCPA: Environmental Health Recycling Project	66 108	1 427 746
5.2.1	Koopmansfontein Electricity Self Build Scheme	-	80 000
	Summary of Movements - External Funds		
	Balance unspent at beginning of year	*4 727 383*	*6 544 350*
	Current year receipts	*86 365 123*	*89 947 488*
	Internal Transfers	-	-
	Gross Funding	***91 092 506***	***96 491 838***
	Conditions met – transferred to revenue	*(88 913 873)*	*(90 264 456)*
	Written Off	-	*(1 500 000)*
	Internal Transfers	-	-
	Unspent Portion at Year end	***2 178 633***	***4 727 383***

The following allocations were made to the municipality according to the stipulations of the Division of Revenue Act. Revenue received are recognised as revenue to the extent that the conditions or obligations are met. Conditions still to be met are transferred to liabilities.

5.1.1	**Equitable Share**		
	Balance unspent at beginning of year	-	-
	Current year receipts	79 281 000	76 377 573
	Gross Funding	**79 281 000**	**76 377 573**
	Conditions met – transferred to revenue	(79 281 000)	(76 377 573)
	Unspent Portion at Year end	**-**	**-**

Department of Cooperative Governance & Traditional Leaders
Objective: To assist municipalities to provide basic infrastructure and services to low income households.

		2012 R	2011 R
5.1.2	**Financial Management Grant**		
	Balance unspent at beginning of year	-	-
	Current year receipts	1 250 000	1 000 000
	Gross Funding	**1 250 000**	**1 000 000**
	Conditions met – transferred to revenue	(1 250 000)	(1 000 000)
	Unspent Portion at Year end	**-**	**-**

National Treasury
Objective: To finance the reform programme for municipal budgeting and financial management practices

5.1.3	**Municipal Systems Improvement Grant**		
	Balance unspent at beginning of year	-	511 947
	Current year receipts	1 200 000	1 000 000
	Gross Funding	**1 200 000**	**1 511 947**
	Conditions met – transferred to revenue	(1 200 000)	(1 511 947)
	Unspent Portion at Year end	**-**	**-**

Department of Cooperative Governance & Traditional Leaders
Objective: To assist municipalities to build capacity for the new development system of local government.

5.1.4	**DWA - Sanitation (Mvula Trust)**		
	Balance unspent at beginning of year	1 489 217	3 275 455
	Current year receipts	-	75 000
	Gross Funding	**1 489 217**	**3 350 455**
	Conditions met – transferred to revenue	(1 489 217)	(1 861 238)
	Unspent Portion at Year end	**-**	**1 489 217**

Department of Water Affairs & Environmental Affairs
Objective: To provide adequate water and sanitation facilities to farm workers in the rural areas in the district as well as to support operation and maintenance programmes at local municipalities in the district.

		2012 R	2011 R
5.1.5	**NC Tourism - Contribution Tourism Month**		
	Balance unspent at beginning of year	-	-
	Current year receipts	-	50 000
	Gross Funding	**-**	**50 000**
	Conditions met – transferred to revenue	-	(50 000)
	Unspent Portion at Year end	**-**	**-**

Northern Cape Tourism
Objective: Funding of tourism month activities at schools.

5.1.6	**Department of Public Works: Expanded Public Works Program Incentive**		
	Balance unspent at beginning of year	-	-
	Current year receipts	-	165 850
	Gross Funding	**-**	**165 850**
	Conditions met – transferred to revenue	-	(165 850)
	Unspent Portion at Year end	**-**	**-**

Department of Public Works
Objective: To contribute to employment creation efforts through the employment of previously unemployed people

5.1.7	**District Aids Council**		
	Balance unspent at beginning of year	114 682	19 596
	Current year receipts	-	100 000
	Gross Funding	**114 682**	**119 596**
	Conditions met – transferred to revenue	(114 682)	(4 914)
	Unspent Portion at Year end	**-**	**114 682**

Department of Health - Northern Cape Province
Objective: To finance the costs of District Aids Councils in the campaign against AIDS.
Also to provide HIV /AIDS prevention care programs and services in the region.

		2012 R	2011 R
5.1.8	**NEAR Control Centre**		
	Balance unspent at beginning of year	-	-
	Current year receipts	569 000	725 000
	Gross Funding	**569 000**	**725 000**
	Conditions met – transferred to revenue	-	(725 000)
	Unspent Portion at Year end	**569 000**	**-**

Department of Cooperative Governance, Human Settlement & Traditional Affairs
Objective: To maintain effective functioning of the NEAR control centres and provide additional funds for training NEAR personnel.

5.1.9	**NCPA - Housing Accreditation Grant**		
	Balance unspent at beginning of year	1 077 953	-
	Current year receipts	2 783 799	3 161 188
	Gross Funding	**3 861 752**	**3 161 188**
	Conditions met – transferred to revenue	(3 148 561)	(2 083 235)
	Unspent Portion at Year end	**713 191**	**1 077 953**

Department of Cooperative Governance, Human Settlement & Traditional Affairs
Objective: To enable the District Municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Cooperative Governance, Human Setlements & Traditional Affairs.

5.1.10	**NCPA Firefighting Equipment**		
	Balance unspent at beginning of year	352 364	239 206
	Current year receipts	371 000	350 000
	Gross Funding	**723 364**	**589 206**
	Conditions met – transferred to revenue	-	(236 842)
	Unspent Portion at Year end	**723 364**	**352 364**

Department of Cooperative Governance, Human Settlement & Traditional Affairs
Objective: To enhance municipalities' capacity to deal with fire hazards.

		2012 R	2011 R
5.1.11	**NCPA - Eradication of Bucket System**		
	Balance unspent at beginning of year	-	-
	Current year receipts	-	-
	Gross Funding	-	-
	Conditions met – transferred to revenue	-	-
	Unspent Portion at Year end	-	-

Department of Cooperative Governance, Human Settlement & Traditional Affairs
Objective: To eliminate the use of bucket sanitation systems in the district by end of September 2008

5.1.12	**MIG - Projects**		
	Balance unspent at beginning of year	-	99 596
	Current year receipts	-	5 746 000
	Gross Funding	-	**5 845 596**
	Conditions met – transferred to revenue	-	(5 845 596)
	Unsent portion paid back to donor	-	-
	Unspent Portion at Year end	-	-

Department of Cooperative Governance & Traditional Leaders
Objective: To provide service delivery infrastructure to households in poorer residential areas

Balance of R99 596 is due to a payment of R 700 000 received for the 2010 / 11 financial year and expenditure to the amount of R600 404.

5.1.13	**SETA - Skills Grant**		
	Balance unspent at beginning of year	-	-
	Current year receipts	170 324	116 877
	Gross Funding	**170 324**	**116 877**
	Conditions met – transferred to revenue	(170 324)	(116 877)
	Unspent Portion at Year end	-	-

Sector Education and Training Authority
Objective: To be used for training and capacity building of employees as per approved Skills Work Plan.

		2012 R	2011 R
5.1.14	**NCPA: Vuna Awards**		
	Balance unspent at beginning of year	-	1 500 000
	Current year receipts	-	-
	Gross Funding	**-**	**1 500 000**
	Written off	-	(1 500 000)
	Unspent Portion at Year end	**-**	**-**

Department of Cooperative Governance, Human Settlement & Traditional Affairs
Objective: To initiate community projects as per approved business plans by the Department of Housing and Local Government.
The amount of R1,500,000 for the 2005/06 and 2006/07 has been written off by Council due to none respnse from the donor department to pay amounts due to the District Municipality

5.1.15	**DWA: Backlogs in Water & Sanitation at Clinics and Schools**		
	Balance unspent at beginning of year	-	-
	Current year receipts	-	-
	Gross Funding	**-**	**-**
	Conditions met – transferred to revenue	-	-
	Unspent Portion at Year end	**-**	**-**

Department of Water Affairs and Environmental Affairs
Objective: To eradicate water supply and sanitation backlogs of all clinics and schools which were never served by December 2009.

5.1.16	**NCPA: EPWP: DMA Bush Clearance**		
	Balance unspent at beginning of year	185 421	316 959
	Current year receipts	-	-
	Gross Funding	**185 421**	**316 959**
	Conditions met – transferred to revenue	(78 452)	(131 538)
	Unspent Portion at Year end	**106 969**	**185 421**

Department of Roads & Public Works
Clerance and vegitation control of areas in the DMA

		2012 R	2011 R
5.1.17	**NCPA: Environmental Health Recycling Project**		
	Balance unspent at beginning of year	1 427 746	581 591
	Current year receipts	700 000	1 000 000
	Gross Funding	**2 127 746**	**1 581 591**
	Conditions met – transferred to revenue	(2 061 638)	(153 845)
	Unspent Portion at Year end	**66 108**	**1 427 746**
	Department of Environment & Nature Conservation - Northern Cape Province		
	Frances Baard Recycling projects		
5.2	**Other Conditional Receipts**		
5.2.1	**Koopmansfontein Electricity Self Build Scheme**		
	Balance unspent at beginning of year	80 000	-
	Current year receipts	16 000	80 000
	Gross Funding	**96 000**	**80 000**
	Conditions met – transferred to revenue	(96 000)	-
	Unspent Portion at Year end	**-**	**80 000**
	Private contributions: ESKOM & Farmers		
	Objective: To complete the Koopmansfontein self build scheme with financial contribution from ESKOM and farmers.		
5.2.2	**ABSA**		
	Balance unspent at beginning of year	-	-
	Current year receipts	24 000	-
	Gross Funding	**24 000**	**-**
	Conditions met – transferred to revenue	(24 000)	-
	Unspent Portion at Year end	**-**	**-**
	Private contibution to fund commemorative day celerations		
6	**OPERATING LEASE ARRANGEMENTS**		
6.1	**The Municipality as Lessee**		
	Leases not previously recognised	-	-
	Balance on 30 June	**-**	**-**

		2012 R	2011 R
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	-	-
	2 to 5 Years	-	-
	More than 5 Years	-	-
	Total Operating Lease Arrangements	**-**	**-**
	Reconciliation		
	Balance 1 July	-	-
	Amount previously recorded	-	-
	Change in accounting policy - Note 30	-	-
	Movement during the year	-	-
	Balance on 30 June	**-**	**-**
6.2	**The Municipality as Lessor**		
	Up to 1 Year	16 658	15 424
	1 to 5 Years	16 492	33 150
	More than 5 Years		-
	Total Operating Lease Arrangements	**33 150**	**48 575**
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has an undetermined conditional income.		
	Reconciliation		
	Amount previously recorded (Through change in accounting policy)	9 383	11 954
	Change in accounting policy - Note 30	-	-
	Movement during the year	(1 143)	(2 571)
	Balance on 30 June	**8 241**	**9 383**

		2012 R	2011 R
7	**PROPERTY, PLANT & EQUIPMENT**		
7.1	**GRAP 17 - Property, Plant and Equipment**		
	Fully Depreciated assets still in use were as follows:		
	Cost	-	-
	Land and Buildings	-	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
	Accumulated depreciation	-	-
	Land and Buildings	-	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
	Carrying value	-	-
	Carrying value of assets retired from active use and held for disposal:		
	Cost	-	-
	Land and Buildings	-	-
	Infrastructure	-	-
	Community Assets	-	-
	Lease Assets	-	-
	Heritage	-	-
	Other	-	-
	Accumulated depreciation	-	-
	Land and Buildings		-
	Infrastructure		-
	Community Assets		-
	Lease Assets		-
	Heritage		-
	Other	-	-
	Carrying value	-	-

	2012 R	2011 R
Carrying value of temporarily idle property plant and equipment:		
Cost	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Carrying value	-	-

Assets pledged as security:

No assets are pedged as security.

Third party payments received for losses incurred:

Payments received (Excluding VAT)	20 708	16 020
Carrying value of assets written off/lost		
Surplus/Deficit	**20 708**	**16 020**

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
	-	-

	2012 R	2011 R
Cumulative impairment charges included in major balances		
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
	-	-

Effect of changes in accounting estimates

No changes in accounting estimates occurred.

	2012 R	2013 R	2014 R
Effect on Property, plant and equipment			

Details of property plant and equipment carried at fair value

The revaluation of council's land and buildings was done during the 2011 / 12 financial year by Valu Data on the method of sales comparison approach and discounted cash flow analysis

Carrying value of revalued property, plant and equipment that would have been recognised under the cost model if the cost model was applied:

Cost		
Land & Buildings	40 828 109	42 662 839
Accumulated Depreciation	6 572 243	5 220 446
	34 255 867	**37 442 393**
Reconciliation of revaluation surplus:		
Opening balance	5 828 305	6 065 911
Movement for the period	15 550 746	(237 605)
Closing balance	**21 379 051**	**5 828 305**

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7.2 Analysis of Property, Plant and Equipment

	Cost / Revaluation								Accumulated Depreciation									Carrying Value	Budget Additions 2012
30 June 2012	**Balance at 01/07/2011**	**Transfers to / from other categories**	**Restated balance**	**Additions**	**Revaluation Movements / Impairments**	**Under Construction**	**Disposals**	**Balance at 30/06/2012**	**Balance at 01/07/2011**	**Transfers to / from other categories**	**Change in Accounting Policy - 2011**	**Restated balance**	**Change in Accounting Policy - 2012**	**Additions**	**Revaluation Movements / Impairments**	**Disposals**	**Balance at 30/06/2012**		
COMMUNITY ASSETS																			
Land & Buildings	106 676		106 676	-		-	-	106 676	53 338			53 338		10 668		-	64 006	42 670	-
Land & Buildings	45 000	x	45 000					45 000	-			-		-	-	-	-	45 000	
Security Measures	542 676	-	542 676	4 293		-	101 754	445 214	175 098			175 098		73 489		65 292	183 295	261 919	300 000
Total: Community Assets	**694 351**	**-**	**694 351**	**4 293**	**-**	**-**	**101 754**	**596 890**	**228 436**	**-**	**-**	**228 436**	**-**	**84 157**	**-**	**65 292**	**247 300**	**349 590**	**300 000**
HERITAGE ASSETS																			
Statues	627 427	-	627 427	3 990		-	-	631 417	-		-	-		-		-	-	631 417	4 000
Total: Heritage Assets	**627 427**	**-**	**627 427**	**3 990**	**-**	**-**	**-**	**631 417**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**631 417**	**4 000**
OTHER ASSETS						-												-	
Land & Buildings	42 662 839	-	42 662 839	1 041 584	(2 876 313)			40 828 109	5 220 446	-	-	5 220 446	-	1 351 797		-	6 572 243	34 255 867	1 185 000
Office Equipment	3 148 667	-	3 148 667	81 032			228 621	3 001 077	898 921	-	-	898 921	-	431 825		141 268	1 189 479	1 811 598	49 300
Office Equipment - Finance leases	337 110	-	337 110				-	337 110	76 251	-	-	76 251	-	48 159			124 409	212 700	-
Furniture & Fittings	2 964 019	-	2 964 019	39 992			36 727	2 967 284	1 038 668	-	-	1 038 668	-	373 923		21 286	1 391 305	1 575 979	33 000
Plant & Machinery	1 983 809	-	1 983 809	15 869			48 784	1 950 894	538 295	-	-	538 295	-	303 302		27 102	814 494	1 136 400	122 000
Plant & Machinery - Residual Valu	298 000	-	298 000				-	298 000	-	-	-	-	-				-	298 000	-
Emergency Equipment	974 092	-	974 092					974 092	297 448	-	-	297 448	-	108 484			405 932	568 160	-
Motor Vehicle	2 338 706	-	2 338 706	465 612			112 194	2 692 124	978 636	-	-	978 636	-	330 461		72 914	1 236 183	1 455 941	470 000
Motor Vehicle - Residual Value	1 254 382	-	1 254 382				128 111	1 126 271	-	-	-	-	-				-	1 126 271	-
Land Fill Sites	-	-	-					-	-	-	-	-	-				-	-	-
Computer Equipment	5 058 607	-	5 058 607	546 182			652 921	4 951 868	1 389 522	-	-	1 389 522	-	744 635		366 058	1 768 099	3 183 769	1 286 700
Total: Other Assets	**61 020 229**	**-**	**61 020 229**	**2 190 271**	**(2 876 313)**	**-**	**1 207 358**	**59 126 829**	**10 438 187**	**-**	**-**	**10 438 187**	**-**	**3 692 585**	**-**	**628 628**	**13 502 143**	**45 624 686**	**3 146 000**
Less transferred to Non - Current Assets Held for Sale	-		-					(148 602)									(73 447)	(75 155)	
Discontinued operations	(154 876)		(154 876)						(53 795)			(53 795)					-	-	
TOTAL ASSETS	**62 187 132**	**-**	**62 187 132**	**2 198 554**	**(2 876 313)**	**-**	**1 309 112**	**60 206 534**	**10 612 827**	**-**	**-**	**10 612 827**	**-**	**3 776 742**	**-**	**693 920**	**13 675 997**	**46 530 537**	**3 450 000**

[x] Under construction: prior year not yet completed

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Analysis of Property, Plant and Equipment

	Cost / Revaluation								Accumulated Depreciation									Carrying Value	Budget Additions 2011
30 June 2011	**Balance at 01/07/2010**	**Transfers to / from other categories**	**Restated balance**	**Additions**	**Revaluation Movements / Impairments**	**Under Construction**	**Disposals**	**Balance at 30/06/2011**	**Balance at 01/07/2010**	**Transfers to / from other categories**	**Change in Accounting Policy - 2010**	**Restated balance**	**Change in Accounting Policy - 2011**	**Additions**	**Impairments**	**Disposals**	**Balance at 30/06/2011**		
COMMUNITY ASSETS																			
Land & Buildings	151 676		151 676	(45 000)		45 000		151 676	42 670			42 670		10 668			53 338	98 338	-
Security Measures	539 869		539 869	2 807		-		542 676	102 027			102 027		73 071			175 098	367 578	-
Total: Community Assets	**691 544**	**-**	**691 544**	**(42 193)**	**-**	**45 000**	**-**	**694 351**	**144 697**	**-**	**-**	**144 697**	**-**	**83 739**	**-**	**-**	**228 436**	**465 916**	**-**
HERITAGE ASSETS																			
Statues	627 427	-	627 427					627 427	-	-	-	-		-	-	-	-	627 427	
Total: Heritage Assets	**627 427**	**-**	**627 427**	**-**	**-**	**-**	**-**	**627 427**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**627 427**	**-**
OTHER ASSETS																			
Land & Buildings	42 005 330	3 200	42 008 530	601 802		52 506.80	-	42 662 839	3 884 449	419	-	3 884 868	-	1 335 578		-	5 220 446	37 442 393	6 965 680
Office Equipment	2 848 421	-	2 848 421	331 086		-	30 840	3 148 667	542 294	-	-	542 294	-	387 467		30 840	898 921	2 249 745	115 300
Office Equipment - Finance leases	337 110	-	337 110	-		-	-	337 110	28 092	-	-	28 092	-	48 159		-	76 251	260 859	
Furniture & Fittings	2 957 607	-	2 957 607	28 669		-	22 258	2 964 019	683 820	-	-	683 820	-	376 514	592	22 258	1 038 668	1 925 351	301 340
Plant & Machinery	1 494 669	-	1 494 669	491 539		-	2 399	1 983 809	325 384	-	-	325 384	-	215 309		2 399	538 295	1 445 515	222 010
Plant & Machinery - Residual Valu	298 000	-	298 000	-		-	-	298 000	-	-	-	-	-	-		-	-	298 000	
Emergency Equipment	562 364	-	562 364	411 728		-	-	974 092	216 145	-	-	216 145	-	81 303		-	297 448	676 644	-
Motor Vehicle	1 964 134	-	1 964 134	479 860		-	105 288	2 338 706	779 071	-	-	779 071	-	294 982	9 871	105 288	978 636	1 360 069	680 000
Motor Vehicle - Residual Value	1 182 662	-	1 182 662	119 965		-	48 246	1 254 382	-	-	-	-	-	-		-	-	1 254 382	
Land Fill Sites	3 200	(3 200)	-	-		-	-	-	419	(419)	-	-	-	-		-	-	-	-
Computer Equipment	4 039 025	-	4 039 025	1 657 356		-	637 775	5 058 607	1 492 285	-	-	1 492 285	-	520 517	14 494	637 775	1 389 522	3 669 085	782 690
Total: Other Assets	**57 692 522**	**-**	**57 692 522**	**4 122 005**	**-**	**52 507**	**846 805**	**61 020 229**	**7 951 961**	**-**	**-**	**7 951 961**	**-**	**3 259 829**	**24 956**	**798 559**	**10 438 187**	**50 582 043**	**9 067 020**
Less transferred to Non - Current Assets Held for Sale	(50 025)		(50 025)						(50 025)	-	-	(50 025)	-	-	-	-		-	
Discontinued operations								(154 876)									(53 795)	(101 081)	
TOTAL ASSETS	**58 961 468**	**-**	**58 961 468**	**4 079 812**	**-**	**97 507**	**846 805**	**62 187 132**	**8 046 632**	**-**	**-**	**8 046 632**	**-**	**3 343 567**	**24 956**	**798 559**	**10 612 827**	**51 574 304**	**9 067 020**

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

7.3 Segmental Analysis of Property, Plant and Equipment

	Cost										ACCUMULATED DEPRECIATION					
	Balance at 01/07/2011	Residual Value at 1 July 2011	Additions	Revaluation Movements / Impairments	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Transfers / Adjustments	Balance at 30/06/2012	Balance at 01/07/2011	Additions / Impairments	Disposals	Transfers / Adjustments	Balance at 30/06/2012	Carrying Value
Municipal Governance & Administration	**10 307 199**	**1 128 417**	**672 930**		**169 990**	**-**	**961 033**	**128 111**	**-**	**11 189 393**	**3 362 019**	**1 417 677**	**552 422**	**-**	**4 227 275**	**6 962 118**
Executive & Council	**2 399 300**	**-**	**37 916**		**-**	**-**	**63 898**	**-**	**-**	**2 373 318**	**889 640**	**293 737**	**36 889.62**	**-**	**1 146 487**	**1 226 831**
Mayor & Council	1 779 939		1 550			-	38 772		-	**1 742 717**	651 329	223 314	23 367	-	**851 275**	**891 441**
Office of the Municipal Manager	619 361		36 366			-	25 126		-	**630 601**	238 311	70 423	13 523	-	**295 212**	**335 390**
Budget & Treasury Office	**2 874 718**	**1 128 417**	**125 334**		**169 990**	**-**	**129 003**	**128 111**	**(7 741)**	**4 033 604**	**1 310 884**	**347 543**	**86 555**	**(5 333)**	**1 566 539**	**2 467 065**
Corporate Services	**5 033 182**		**509 679.74**			**-**	**768 131.93**		**7 741.24**	**4 782 471**	**1 161 495**	**776 397**	**428 977**	**5 333**	**1 514 248**	**3 268 222**
Human Resources	53 496	-	-		-	-	736	-	-	**52 760**	23 401	6 159	382		29 179	23 581
Information Technology	3 912 493	-	500 384		-	-	548 607	-	-	**3 864 270**	746 609	640 869	298 833		1 088 645	2 775 625
Other Admin	1 067 192	-	9 296		-	-	218 789	-	7 741	**865 440**	391 485	129 369	129 762	5 333	396 424	469 016
Community Services & Public Safety																
Community & Social Services	**1 643 717**	**125 965**	**42 985**		**-**	**-**	**691**	**-**	**-**	**1 811 975**	**389 099**	**237 191**	**359**	**-**	**625 931**	**1 186 045**
Community Services										**-**						
Public Safety - Civil Defense	1 323 231	73 965	1 101		-	-	691	-		**1 397 606**	309 395	184 979	*359*		**494 016**	**903 590**
Housing	320 485	52 000	41 884		-	-	-	-		**414 370**	79 704	52 211	-		**131 915**	**282 455**
Economic & Environmental Services	**48 741 203**	**298 000**	**1 365 156**	**(2 876 313)**	**-**	**45 000**	**170 494**	**-**	**-**	**47 402 551**	**6 915 504**	**2 121 874**	**114 038**	**-**	**8 923 341**	**38 479 211**
Planning & Development	48 461 695	298 000	1 365 156	(2 876 313)	-	45 000	170 494	-		**47 123 044**	6 793 420	2 089 685	114 038		**8 769 067**	**38 353 977**
Environmental Protection	279 508	-	-		-	-	-	-		**279 508**	122 085	32 189	-		**154 274**	**125 234**
TOTAL PER STANDARD CLASSIFICATION	**60 692 119**	**1 552 382**	**2 081 071**	**(2 876 313)**	**169 990**	**45 000**	**1 132 218**	**128 111**	**-**	**60 403 920**	**10 666 622**	**3 776 742**	**666 818**	**-**	**13 776 546**	**46 627 374**
Less transferred to Non- Current Assets Held for Sale										(148 601.54)					(73 446.66)	**(75 154.88)**
Discontinued operations	-154 876									-	-53 795				-	-
Total Assets	**60 537 243**	**1 552 382**	**2 081 071**	**-2 876 313**	**169 990**	**45 000**	**1 132 218**	**128 111**	**-**	**60 255 318**	**10 612 827**	**3 776 742**	**666 818**	**-**	**13 703 099**	**46 552 219**

**** Internal Transfers***

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Cost										ACCUMULATED DEPRECIATION					
	Balance at 01/07/2010	Residual Value at 1 July 2010	Additions	Revaluation Movements / Impairments	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Transfers / Adjustments	Balance at 30/06/2011	Balance at 01/07/2010	Additions / Impairments	Disposals	Transfers / Adjustments	Balance at 30/06/2011	Carrying Value
Municipal Governance & Administration	**9 176 719**	**1 130 662**	**2 515 650**		**46 000**	**-**	**701 381**	**48 246**	**(683 789)**	**11 435 616**	**3 227 460**	**1 087 097**	**701 381**	**(251 157)**	**3 362 019**	**8 073 597**
Executive & Council	**3 043 424**	**-**	**79 108**		**-**	**-**	**39 385**	**-**	**-683 847.62**	**2 399 300**	**877 535**	**302 666**	**39 384.72**	**(251 177)**	**889 640**	**1 509 660**
Mayor & Council	3 043 424	-	68 293		-	-	31 578		(1 300 201)	**1 779 939**	877 535	229 772.37	31 578	(424 401)	**651 329**	**1 128 610**
Office of the Municipal Manager	-	-	10 815		-	-	7 807		616 353	**619 361**		72 894.09	7 807	173 224	**238 311**	**381 050**
Budget & Treasury Office	**2 768 420**	**1 130 662**	**351 945**		**46 000**	**-**	**245 647**	**48 246**	**-**	**4 003 135**	**1 201 694**	**354 837.83**	**245 647**	**-**	**1 310 884**	**2 692 251**
Corporate Services	**3 364 875**		**2 084 597**			**-**	**416 348.93**		**59**	**5 033 182**	**1 148 231**	**429 593.11**	**416 349**	**20**	**1 161 495**	**3 871 687**
Human Resources	-	-	5 785		-	-	-		47 711	**53 496**		5 780.26	-	17 621	23 401	30 095
Information Technology	-	-	2 043 038		-	-	413 950		2 283 405	**3 912 493**		293 530.18	413 950	867 028	746 609	3 165 885
Other Admin	3 364 875	-	35 773		-	-	2 399		(2 331 057)	**1 067 192**	1 148 231	130 282.67	2 399	(884 629)	391 485	675 707
Community Services & Public Safety																
Community & Social Services	**919 712**	**52 000**	**724 064**		**73 965**	**-**	**-**	**-**	**(59)**	**1 769 682**	**201 205**	**187 913**	**-**	**(20)**	**389 099**	**1 380 583**
Community Services										-						
Public Safety - Civil Defense	605 446	-	717 785		73 965	-	-	-		**1 397 196**	171 747	137 648	*0*		**309 395**	**1 087 802**
Housing	314 266	52 000	6 278		-	-	-	-	(59)	**372 485**	29 459	50 265.170	-	(20)	**79 704**	**292 781**
Economic & Environmental Services	**47 389 400**	**298 000**	**765 133**		**-**	**97 507**	**97 178**	**-**	**683 848**	**49 136 709**	**4 667 992**	**2 093 513**	**97 178**	**251 177**	**6 915 504**	**42 221 205**
Planning & Development	47 098 529	298 000	765 133		-	97 507	85 815	-	683 848	**48 857 202**	4 567 997	2 060 061	85 815	251 177	**6 793 420**	**42 063 782**
Environmental Protection	290 871	-	-		-	-	11 363	-		**279 508**	99 996	33 452	11 363		**122 085**	**157 423**
TOTAL PER STANDARD CLASSIFICATION	**57 485 831**	**1 480 662**	**4 004 847**		**119 965**	**97 507**	**798 559**	**48 246**	**-**	**62 342 007**	**8 096 657**	**3 368 524**	**798 559**	**-**	**10 666 622**	**51 675 385**
Less transferred to Non- Current Assets Held for Sale	-50 025									-	-50 025				-	-
Discontinued operations										(154 876)					(53 795.05)	**(101 081)**
Total Assets	**57 435 806**	**1 480 662**	**4 004 847**		**119 965**	**97 507**	**798 559**	**48 246**	**-**	**62 187 132**	**8 046 632**	**3 368 524**	**798 559**	**-**	**10 612 827**	**51 574 305**

**** Internal Transfers***

		2012	2011
		R	R
8	**NON-CURRENT ASSETS HELD FOR SALE**		
	Non-current assets held for sale at beginning of year - at book value	-	-
	Additions for the year at cost		-
	Less: Transferred from PPE at Book Value	(75 155)	-
			-
	Non-current assets sold / written off during the year	-	-
	Non-current assets held for sale at end of year - at book value	**(75 155)**	**-**

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 45.5

9 DISCONTINUED OPERATIONS

The District Management Area of the municipality will be transferred to the relevant category B municipalities with effect from 1 July 2011. The relevant assets and liabilities associated with the District Management Area are disclosed below:

Assets

Property, Plant & Equipment	-	101 081
Trade Receivable from Exchange Transactions	-	1 674
Trade Receivables from Non-Exchange Transactions	-	9 080
Property Rates	-	232 464
Total Assets	-	**344 298**

The Municipality hold no Liabilities relating to this service

10 INVESTMENT PROPERTY

Net Carrying amount at 1 July	-	-
Balance previously reported	-	-
Correction of error. Refer to note	-	-

	2012	2011
	R	R
Fair Value Adjustments		
Acquisitions	-	-
Disposals	-	-
Impairment	-	-
Transfers from Inventory	-	-
Transfers from Property, Plant and equipment	-	-
Net Carrying amount at 30 June	-	-

GRAP 16 - Investment Properties

Since the previous reporting date the following Investment Properties were measured at fair value in accordance with GRAP 16 and restated retrospectively:

Land with undetermined use;	-	-
Land;	-	-
Buildings; and	-	-
Land and Buildings.	-	-
Total not previously recognised now restated retrospectively	-	-
Revenue derived from the rental of investment property	-	-
Operating expenditure incurred on properties generating revenue	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

11 INTANGIBLE ASSETS

Net Carrying amount at 1 July		
Change in Accounting Policy / Opening Balance	**832 793**	**785 430**
Cost	1 184 862	1 026 487
Correction of error - Amortisation (1 July 2010)	-	171 325
Accumulated Amortisation	(352 069)	(412 381)

	2012	2011
	R	R
Acquisitions	183 108	158 375
Amortisation	(121 078)	(161 329)
Correction of error - Amortisation	-	50 317
Disposals	-	-
Amortisation written back on disposal	-	-
Net Carrying amount at year end	**894 823**	**832 793**
Cost	1 367 970	1 184 862
Accumulated Amortisation	(473 147)	(352 069)

No intangible asset were assed having an indefinite useful life.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

12 INVESTMENTS

CURRENT INVESTMENTS		
Listed		
Sanlam shares currently trading at R22.86 - Held at fair value trough profit & loss	-	6 218
TOTAL LISTED INVESTMENTS	**-**	**6 218**
BANK DEPOSITS		
Absa Bank [Collateral]		500 000
Standard Bank [Leave Provision]	2 900 000	2 400 000
TOTAL BANK DEPOSITS	**2 900 000**	**2 900 000**
TOTAL CURRENT INVESTMENTS	**2 900 000**	**2 906 218**

		2012	2011
		R	R
13	**LONG-TERM RECEIVABLES**		
		-	-
	No Long Term Debt at Reporting Date	-	-
	No Long Term Debt at Reporting Date	-	-
	Long Term Portion of Long Term Debt	-	-
	Short Term Portion of Long Term Debt	-	-
	Long Term Debt at Reporting Date	-	-
14	**TAXES**		
	VAT Receivable	**1 189 493**	**1 489 596**

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date through out the year.

15 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balance	Provision for Bad Debt	Net Balance
Due to the disestablishment of the DMA, revenue for Property Rates and Service Charges has been transferred to discontinued operations. Refer to note 18.			
As at 30 June 2012			
Water	-	-	-
Sewerage	-	-	-
Refuse	-	-	-
TOTAL TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS	-	-	-
As at 30 June 2012			
Water	-	-	-
TOTAL TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS	-	-	-

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	R	R
Water Ageing	**-**	**523**
Current (0 – 30 days)		169
31 – 60 Days		76
61 – 90 Days		11
91 – 120 Days		266
Sewerage Ageing	**-**	**353**
Current (0 – 30 days)		153
31 – 60 Days		58
61 – 90 Days		23
91 – 120 Days		120
Refuse Ageing	**-**	**798**
Current (0 – 30 days)		300
31 – 60 Days		99
61 – 90 Days		68
91 – 120 Days		332

Summary of Debtors by Customer Classification

30 June 2012	**Consumers**	**Industrial / Commercial**	**National & Provincial Government**
Current (0 – 30 days)	-	-	-
31 – 60 Days	-	-	-
61 – 90 Days	-	-	-
91 – 120 Days	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
TOTAL CONSUMER DEBTORS	-	-	-

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Summary of Debtors by Customer Classification

30 June 2011	**Consumers**	**Industrial / Commercial**	**National & Provincial Government**
Current (0 – 30 days)	622	-	-
31 – 60 Days	233	-	-
61 – 90 Days	101	-	-
91 – 120 Days	718	-	-
Sub-total	**1 674**	**-**	**-**
Less: Provision for bad debts	-	-	-
TOTAL CONSUMER DEBTORS	**1 674**	**-**	**-**

	2012	**2011**
	R	**R**
Reconciliation of the Total doubtful debt provision		
Balance at beginning of the year	-	-
Contributions to provision	-	-
Doubtful debts written off against provision	-	-
Balance at end of year	-	-

Due to the disestablishment of the District Management Area after the local government elections, all outstanding debt will be transferred to the superseding municipality in terms of Section 12 of the Structures Act.

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012	2011
		R	R
16	**TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
		1 680 585	**2 184 489**
16.1	Sundry Debtors - Other	1 680 585	2 184 489
	Property Rates	-	232 464
	Transfer of Functions - DMA		(232 464)
16.2	Recoverable Expenditure - Fraudulant Transactions	-	-
16.1	**Sundry Debtors - Other**		
	Sundry Services	1 171 904	352 622
	Payments Made in Advance	117 852	397 210
	Interest on investment	319 963	215 118
	NCPA Roads Agency Services - Loan Account	-	912 109
	Other Sundry Debtors	70 762	-
	Insurance Control	-	868
	Salary Control	-	306 562
	Salary Control - Debit Order & Other Deductions Control	104	-
		-	-
	Total Other Debtors	**1 680 585**	**2 184 489**
	Less: Provision for Bad Debt	-	-
	Total Other Debtors	**1 680 585**	**2 184 489**

The fair value of trade and other receivables approximate their carrying value.

16.2	**Recoverable Expenditure - Fraudulent Transactions**		
	Recoverable unauthorised expenditure	-	447 034
	Less: Amounts recovered	-	(447 034)
	Less: Written off by Council Resolution	-	-
	Total Recoverable Expenditure - Fraudulent Transactions	-	-

Fraudulent transactions to the total value of R1,978,497-72 have been discovered in August 2006 after a proper investigation was completed by SHAG Forensics (Pty).

		2012 R	2011 R

The outstanding amount of R447 034 has been recovered from the pensionfund of the officer involved..

17 Property Rates

Due to the disestablishment of the DMA, revenue for Property Rates and Service Charges has been transferred to discontinued operations. Refer to note 18.

17.3.1 Property Rates: Ageing

Current (0 – 30 days)		22 837
31 – 60 Days		19 539
61 – 90 Days		14 294
91 – 120 Days		175 793

17.3.2 Summary of Debtors by Property Rates Classification

30 June 2012	**Residential**	**Government**	**Business**	**Agricultural**
Current (0 – 30 days)	-	-	-	-
31 – 60 Days	-	-	-	-
61 – 90 Days	-	-	-	-
91 – 120 and more	-	-	-	-
Sub-total	-	-	-	-
Less: Provision for bad debts	-	-	-	-
TOTAL PROPERTY RATES DEBTORS	-	-	-	-

		2012 R	2011 R
	30 June 2011	**Residential** **Government** **Business**	**Agricultural**
	Current (0 – 30 days)	-	
	31 – 60 Days	-	
	61 – 90 Days	-	
	91 – 120 and more	-	
	Sub-total	- - -	-
	Less: Provision for bad debts	- - -	-
	TOTAL PROPERTY RATES DEBTORS	- - -	-

17.4 Reconciliation of the Total doubtful debt provision

Balance at beginning of the year	-	-
Contributions to provision	-	-
Doubtful debts written off against provision	-	-
Balance at end of year	**-**	**-**

Due to the disestablishment of the District Management Area after the local government elections, all outstanding debt will be transferred to the superseding municipality in terms of Section 12 of the Structures Act.

18	**INVENTORY**	**349 926**	**370 274**
	Consumable Stores - Stationery and materials - At cost	349 926	370 274
	Maintenance Materials - At cost	-	-
	Water – at cost	-	-
	Spare Parts - At cost	-	-
	Total Inventory	**349 926**	**370 274**

		2012 R	2011 R
19	**CASH AND CASH EQUIVALENTS**		
	Assets		
19.1	Call Investment Deposits	83 500 000	70 500 000
19.2	Primary Bank Account	2 710 864	2 624 852
19.3	Cash	3 300	3 300
	Total Cash and Cash Equivalents - Assets	**86 214 164**	**73 128 152**
19.1	**Call Investment Deposits**		
	Short Term Investments		
	Absa Bank	12 250 000	17 000 000
	First Rand	10 750 000	15 000 000
	Nedcor	25 750 000	11 000 000
	Standard Bank	34 750 000	27 500 000
	Short term deposits	**83 500 000**	**70 500 000**

Council provide collateral security for housing loans issued by commercial banks in favour of certain of Council's personnel. This security is provided by a block investment of R500,000 ceded to ABSA against which the bank issues letters of guarantee to the home loan financing institutions. There are no current obligation registered against the investment.

Trading and available-for-sale investments are subsequently carried at fair value. Average interest rate on investments in respect of the financial year under review reflects on 5.93%.

The Municipality has the following bank accounts: -

		2012 R	2011 R
19.2	**Current Account (Primary Bank Account)**		
	Standard Bank Kimberley Business Centre Account Number 04 007 955 4 Cash book balance at end of year	**3 512**	**-**
	ABSA Bank Kimberley (Central Business District) Account Number 940 000 327 Cash book balance at end of year	**2 707 352**	**2 624 852**
	Total Cash Book balance at end of year	**2 710 864**	**2 624 852**
	New primary bank account has been opened at Standard bank. The account at ABSA will be closed as soon as all transactions on the ABSA account stopped		
19.3	**Petty Cash & Floats**	**3 300**	**3 300**
20	**PROPERTY RATES**		
20.1	**Actual**		
20.2	Residential	-	3 684
20.3	Agriculture	-	354 881
20.4	Commercial	-	16 432
20.5	Government	-	1 984
20.6	Industrial	-	18 720
	Total Assesment Rates	**-**	**395 701**

		2012 R	2011 R
20.1.1	**Residential property**		
	Number of Properties valued at < R15 000	-	34
	Number of properties valued at > R15 000	-	1
	Number of Properties	**-**	**35**
	Total valuation of properties	-	2 148 400
	Less: Valuation of properties exempted from paying rates	-	87 000
	Less: Rebate on properties valued more than R15 000	-	15 000
	Value of ratable prperties	**-**	**2 046 400**
	Tariff imposed on residential properties	-	0.003600
	Revenue for residential properties	-	7 367
	Less: Rebate percentage		50%
	Rebate	-	3 684
	Revenue	**-**	**3 684**
20.1.2	**Agriculture**		
	Number of Properties valued at < R15 000	-	73
	Number of properties valued at > R15 000	-	568
	Number of Properties	**-**	**641**
	Total valuation of properties	-	797 386 100
	Less: Valuation of properties exempted from paying rates	-	196 000
	Less: Rebate on properties valued more than R15 000	-	8 520 000
	Value of ratable prperties	**-**	**788 670 100**
	Tariff imposed on agriculture properties	-	0.000900
	Revenue for residential properties	-	709 803
	Less: Rebate percentage		50%
	Rebate	-	354 923
	Revenue	**-**	**354 880**
20.1.3	**Commercial**		
	Number of Properties valued at < R15 000	-	-
	Number of properties valued at > R15 000	-	4
	Number of Properties	**-**	**4**

		2012 R	2011 R
	Total valuation of properties	-	13 534 900
	Less: Valuation of properties exempted from paying rates	-	-
	Less: Rebate on properties valued more than R15 000	-	60 000
	Value of ratable prperties	**-**	**13 474 900**
	Tariff imposed on commercial properties	-	0.000900
	Revenue for residential properties	-	12 127
	Less: Rebate percentage		50%
	Rebate	-	6 064
	Revenue	**-**	**6 064**
	Commercial		
	Number of Properties valued at < R15 000	-	-
	Number of properties valued at > R15 000	-	4
	Number of Properties	**-**	**4**
	Total valuation of properties	-	5 820 500
	Less: Valuation of properties exempted from paying rates	-	-
	Less: Rebate on properties valued more than R15 000	-	60 000
	Value of ratable prperties	**-**	**5 760 500**
	Tariff imposed on commercial properties	-	0.003600
	Revenue for residential properties	-	20 738
	Less: Rebate percentage		50%
	Rebate	-	10 369
	Revenue	**-**	**10 369**
20.1.4	**Government**		
	Number of Properties valued at < R15 000	-	-
	Number of properties valued at > R15 000	-	1
	Number of Properties	**-**	**1**
	Total valuation of properties	-	4 424 900
	Less: Valuation of properties exempted from paying rates	-	-
	Less: Rebate on properties valued more than R15 000	-	15 000
	Value of ratable properties	**-**	**4 409 900**

		2012 R	2011 R
	Tariff imposed on government properties	-	0.000900
	Revenue for residential properties	-	3 969
	Less: Rebate percentage		50%
	Rebate	-	1 984
	Revenue	**-**	**1 984**
20.1.5	**Industrial**		
	Number of Properties valued at < R15 000	-	-
	Number of properties valued at > R15 000	-	1
	Number of Properties	**-**	**1**
	Total valuation of properties	-	10 415 300
	Less: Valuation of properties exempted from paying rates	-	-
	Less: Rebate on properties valued more than R15 000	-	15 000
	Value of ratable prperties	**-**	**10 400 300**
	Tariff imposed on industrial properties	-	0.003600
	Revenue for residential properties	-	37 441
	Less: Rebate percentage		50%
	Rebate	-	18 721
	Revenue	**-**	**18 721**
	Summary of Property Rates		
	Total Number of Properties valued at < R15 000	-	107
	Total Number of properties valued at > R15 000	-	579
	Total Number of Properties	**-**	**686**
	Total valuation of properties	-	833 730 100
	Less: Valuation of properties exempted from paying rates	-	283 000
	Less: Rebate on properties valued more than R15 000	-	8 685 000
	Value of ratable prperties	**-**	**824 762 100**

Property rates were introduced in the District Management Area for the first time from July 2009 in terms of the Municipal Property Rates Act (No 6 of 2004) . The levies for property rates will be phased in over a four year period that implies a rebate of 75% in 2009 / 10, 50% in 2010 / 2011, 25% in 2011 / 2012.

The tariff applicable for 2010 / 11 is 50 % of R0.0009 (R0.000225)

		2012 R	2011 R
	The first R 15 000.00 of all properties are exempted from payment of property rates.		
21	**SERVICE CHARGES**		
	Sale of water	-	12 789
	Refuse removal	-	6 840
	Sewerage	-	3 360
	Total Service Charges	-	**22 989**
	Due to the disestablishment of the DMA, revenue for Property Rates and Service Charges has been transferred to discontinued operations. Refer to note 29.		
22	**TRANSFER REVENUE**		
22.1	**Regional Service Levy Replacement Grant**	**67 645 000**	**62 056 000**
	Regional Service Levy Replacement Grant	67 645 000	62 056 000
22.2	**Government Grants & Subsidies**	**21 148 873**	**28 208 456**
	Equitable Share	11 636 000	14 321 573
	Financial Management Grant	1 250 000	1 000 000
	Municipal Systems Improvement Grant	1 200 000	1 511 947
	DWA - Sanitation (Mvula Trust)	1 489 217	1 861 238
	NC Tourism - Contribution Tourism Month	-	50 000
	District Aids Council	114 682	4 914
	NEAR Control Centre	-	725 000
	NCPA - Housing Accreditation Grant	3 148 561	2 083 235
	NCPA Firefighting Equipment	-	236 842
	NCPA - Recycling projects	2 061 638	153 845
	NCPA - EPWP Bush Clearance	78 452	131 538
	MIG - Projects	-	5 845 596
	Other Grants		165 850
	SETA - Skills Grant	170 324	116 877
	Koopmansfontein Electricity Self Build Scheme	-	-
	DWA: Backlogs in Water & Sanitation at Clinics and Schools	-	-

		2012 R	2011 R
22.3	**Public Contributions**	**120 000**	**-**
	Koopmansfontein self build scheme	96 000	-
	ABSA	24 000	
	Total Tranfer Revenue	**88 913 873**	**90 264 456**

The unspent portions of the conditional grants are treated as current liabilities and disclosed per Note 5 above.
Only the actual expenditure amounts are transferred to the relevant operating statement to cover the expenditure incurred in terms of the grant conditions.

23	**OTHER INCOME**		
	Commission: Insurance Payments	6 635	8 546
	Salary allocation to Roads Agency (30%) - Director Technical Services		253 276
	Cost Recovery - Private usage of Pool Vehicles (IEC)	2 460	6 190
	Adjustment of Bad Debts		-
	Cemetery Fees		175
	Private telephone calls / photo copies	27 390	44 295
	Recoverable cost - Salaries		-
	Clearance Certificate		2 084
	Rentals	6 445	25 812
	Sanlam Shares	1 687	-
	Workmens Compensation		99 560
	Dividents Received	38	942
	Insurance Claims	20 708	16 020
	Other	16 772	298 985
	Total Other Income	**82 135**	**755 884**

24	**EMPLOYEE RELATED COSTS**		
	Employee related costs – Salaries and Wages	25 185 033	23 488 596
	Employee related costs – Contributions for UIF, pensions and medical aids	4 839 696	4 703 930
	Motor car and other allowances	2 098 548	1 929 971
	Housing benefits and allowances	527 834	542 960
	Compulsory cost:- Skills Levy; Workmens Compensation; Industrial Council Contributions	771 980	503 024
	Group Insurance	276 098	209 343
	Performance bonus	209 320	405 240
	Total Employee Related Costs	**33 908 509**	**31 783 065**

	2012 R	2011 R
Social contributions:		
Council makes defined contributions to several pension funds in the following proportions:	Employer %	Employee %
Cape Joint Pension Fund	18,00	9,00
Cape Joint Retirement Fund	18,00	9,00
SAMWU National Pension Fund	18,00	9,00
Pension Fund for Municipal Councillors	15,00	13,75
Remuneration of the Municipal Manager		
Annual Remuneration (Total cost to Employer)	176 531	427 589
Performance Bonuses	-	117 651
Total	**176 531**	**545 239**
Acting since February 2012		
Deviation due to vacancy of position since December 2010		
Remuneration of the Chief Finance Officer		
Annual Remuneration (Total cost to Employer)	975 270	844 252
Performance Bonuses	54 876	101 642
Total	**1 030 146**	**945 894**
Remuneration of Executive Director: Administration		
Annual Remuneration (Total cost to Employer)	977 751	844 252
Performance Bonuses (Average cost)	50 655	90 754
Total	**1 028 406**	**935 006**
Remuneration of Executive Director: Infrastructure Services		
Annual Remuneration (Total cost to Employer)	977 751	844 252
Performance Bonuses (Average cost)	54 876	90 754
Total	**1 032 627**	**935 006**

	2012 R	2011 R
Remuneration of Executive Director: Planning & Development		
Annual Remuneration (Total cost to Employer)	1 088 674	939 131
Performance Bonuses (Average cost)	63 319	90 754
Total	**1 151 993**	**1 029 886**

Acting in the position of the Municipal manager since December 2010 till January 2012

25 REMUNERATION OF COUNCILLORS

Executive Mayor	594 284	536 911
Speaker	477 392	311 994
Mayoral Committee Members	1 934 773	1 609 773
Councillors	1 360 040	1 494 840
Councillors' pension contribution	156 237	319 480
Other Obligatory Contributions (Skills Levy,etc.)	72 457	42 777
Total Councillors' Remuneration	**4 595 182**	**4 315 775**

In-kind Benefits

The Executive Mayor and Speaker are full time.
Each is provided with a cell phone, office and secretarial support at cost of council. (Cell phone benefit does not exceed the limits as determined by the Remuneration of Public Office Bearers Act)

The Executive Mayor makes use of a Council owned vehicle for ceremonial duties.

The Executive Mayor makes use of a Council owned vehicle and a driver for travelling between Warrenton and her office that is situated in Kimberley.
The monetary value of this benefit for the year amounts to R75 328 (excluding salary of the driver).

26 FINANCE CHARGES

External Loans	1 500 396	1 607 683
Finance Leases	15 770	33 317
Bank Overdrafts	-	-
Total Interest on External Borrowings	**1 516 165**	**1 641 000**

		2012 R	2011 R
27	**BULK PURCHASES**		
	Water	-	11 535
	Total Bulk Purchases	-	**11 535**

Due to the disestablishment of the DMA, expenses for bulk purchases has been transferred to discontinued operations. Refer to note 29.

28	**GRANTS AND SUBSIDIES PAID TO OTHER MUNICIPALITIES**		
28.1	**Dikgatlong Municipality**	**2 647 019**	**4 594 474**
	Streets & Storm Water	-	789 474
	Water	646 691	1 299 279
	Maintenance Projects	2 000 328	2 505 722
28.2	**Magareng Municipality**	**3 912 333**	**5 360 262**
	Water	-	2 492 653
	Refuse	1 600 000	
	Maintenance Projects	2 312 333	2 867 609
28.3	**Phokwane Municipality**	**5 749 172**	**7 105 912**
	Sanitation	-	4 290 111
	Streets & Stormwater	3 701 702	-
	Maintenance Projects	2 047 471	2 815 801
28.4	**Sol Plaatje Municipality**	**2 204 840**	**500 000**
	Water	1 429 960	-
	Maintenance Projects	774 880	500 000
28.5	**Other Areas**	**2 862 063**	**4 176 637**
	Cemeteries	-	12 511
	Water	-	828 133
	Sanitation	-	261 700
	Streets & Storm water	-	283 529
	Fencing	-	216 827
	Electricity	2 862 063	2 055 502
	Maintenance Projects	-	518 435

		2012 R	2011 R
	Summary of infrastructure grants paid to other municipalities	**17 375 427**	**21 737 285**
	Dikgatlong Municipality	2 647 019	4 594 474
	Magareng Municipality	3 912 333	5 360 262
	Phokwane Municipality	5 749 172	7 105 912
	Sol Plaatje Municipality	2 204 840	500 000
	District Management Areas	2 862 063	4 176 637

Council makes allocations to participating bodies within its area of jurisdiction. Such allocations are primarily for infrastructure development and are treated as grants in kind. Assets with regard to property, plant and equipment funded becomes the property of the participating body who controls the asset.

29 OTHER GRANTS PAID & SPECIAL PROJECTS

29.1	**Grants paid to other organs of state**	**135 000**	**135 000**
	Northern Cape Tourism Authority	135 000	135 000
29.2	**Other special projects**	**8 871 252**	**6 454 583**
	Council - Special Projects in the Office of the Mayor and Speaker	300 380	118 045
	Special Projects: Office of The Municipal Manager	23 934	
	Youth unit / Manager in office of Municipal Manager	29 618	59 109
	Communications - Communication Projects	21 633	52 152
	Financial Management & Support Prpgrammes	641 634	1 275 354
	Financial System Support / Operation clean audit	-	490 719
	Information Technology Projects	111 632	-
	Employee wellness programmes	685 228	353 450
	Tourism Projects	1 488 210	798 019
	GIS Projects	412 042	-
	Planning & Development projects	1 188 841	1 393 348
	IDP / PMS Projects	17 094	-
	Local Economic Development	1 303 228	1 234 395
	Environmental Health Projects	2 153 675	213 319
	Community Development	-	148 445
	Disaster Management	247 151	167 565
	Housing Awareness	246 951	150 662

	2012 R	2011 R
Summary of Grants and Subsidies Paid		
Grants and subsidies paid to other municipalities (Note 28)	17 375 427	21 737 285
Grants paid to other organs of state (Note 29.1)	135 000	135 000
Other special projects (Note 29.2)	8 871 252	6 454 583
Total Grants and Subsidies	**26 381 679**	**28 326 868**

30 GENERAL EXPENDITURE

Accommodation	1 070 040	744 178
Audit Fees	1 330 070	1 070 507
Bank Charges	52 934	55 538
Books, Printing & Stationery	474 806	488 692
Cellphones	25 985	61 031
Cleaning Materials	46 273	51 485
Cleaning Motor Vehicles	12 021	3 605
Conferences and Seminars	173 244	116 153
Council meets the People	-	128 719
Entertainment / Refreshments	216 389	259 259
Free Basic Services	-	-
General Expenses	152 136	178 730
General Notices	705 941	879 458
Gifts	6 527	2 025
Insurance	271 889	241 865
Motor vehicle operating cost	744 371	429 558
Motor Vehicle Usage	(50 896)	(32 627)
Municipal Services & Taxes	748 821	500 802
Office Requirements	3 778	17 085
Pauper Burials	4 500	2 000
Postage	6 215	10 382
Protective Clothing	16 212	11 928
Relocation Costs	43 644	236 505
Rental of Buildings & Equipment	74 273	239 746
SALGA Membership Fees	305 936	253 768
Security Services	414 251	344 641

		2012 R	2011 R
	Study Bursaries	57 893	81 442
	Training	737 455	564 928
	Telephone / Data Lines	493 982	416 567
	Transportation	464 856	480 813
	Dumping Sites	-	-
	Total: General Expenditure	**8 603 546**	**7 838 782**
31	**DISCONTINUED OPERATIONS**		
	Income		
	Property Rates	-	395 701
	Property rates - penalties imposed and collection charges	-	9 686
	Service Charges	-	22 989
	Total Income	**-**	**428 377**
	Expenditure		
	Bulk Purchases	-	11 535
	Maintenance	-	85
	General Expenses	-	37 284
	Transfer of trade receivables to municipalities	251 593	
	Total Expenditure	**251 593**	**48 903**
32	**CORRECTION OF ERROR**		
32.1	Usefull lifes of intangible assetes were wrongly stated in previous financial years		
	The comparative amount has been restated as follows		
	Accimmulated Amortisation		
	Amount previously reported		573 711
	Effect of change in usefull lifes of intangible assets for the year till 30 June 2010		(171 325)
	Effect of change in usefull lifes of intangible assets for the year ended on 30 June 2011		(50 317)
	Restated Balance on 30 June 2011	**-**	**352 069**

		2012 R	2011 R
	Accummulated Surplus / Deficit		
	Amount previously reported (1 July 2010)		62 896 454
	Effect of change in usefull lifes of intangible assets for the year till 30 June 2010		171 325
	Restated Balance on 30 June 2010	**-**	**63 067 778**
	Surplus for 2011		
	Amount previously reported		13 573 110
	Effect of change in usefull lifes of intangible assets for the year ended on 30 June 2011 through Ststement of financial performance:		
	Amortisation previously reported		161 329
	Correction of error		(50 317)
	Restated Amortisation on 30 June 2011	**-**	**111 012**

33 CHANGE IN ACCOUNTING POLICY

	Property Plant & Equipment: Cost Price	**2012**	**2011**
33.1	**Balance previously reported**	**-**	**57 770 987**
	Implementation of GRAP		
	Changes in useful lives of assets restatement of asset values according to asset conditions: 1 July 2009	-	1 190 481
	Total	**-**	**58 961 468**

		2012 R	2011 R
33.2	**Intangible Assets**	**2012**	**2011**
	Balance previously reported		-
	Implementation of GRAP		
	First Time recognition of Intangible Assets	-	428 574
	Additions for 2010	-	597 913
	Total	**-**	**1 026 487**
33.3	**Property Plant & Equipment: Accumulated Depreciation**	**2012**	**2011**
	Balance previously reported	**-**	**12 266 121**
	Implementation of GRAP		
	Accumulated depreciation with regards to other lose assets restated & changes in useful lives recalculated: 1 July 2009	-	(3 718 789)
	Accumulated depreciation with regards to other lose assets restated & changes in useful lives recalculated: 30 June 2010	-	(500 700)
	Total	**-**	**8 046 632**
33.4	**Intangible Assets: Accumulated Amortisation**	**2012**	**2011**
	Balance previously reported		-
	Implementation of GRAP		
	First Time recognition of Intangible Assets	-	329 694
	Additions for 2010	-	82 687
	Total	**-**	**412 381**

		2012 R	2011 R
33.5	**Revaluation Reserve**	**2011**	**2012**
	Balance previously reported	**-**	**6 542 786**
	Implementation of GRAP		
	Changes depreciation of revaluated properties	-	-
	Total Changes	**-**	**6 542 786**
	Movements in Statement in Change In Net Assets	-	(383 463)
	Total of Reserve	**-**	**6 542 786**

33.6	**Accumulated Surplus**	**2012**	**2011**
	Balance previously reported	**-**	**56 582 199**
	Implementation of GRAP		
	Previously corrected	**-**	4 862 293
	Changes in useful lives of assets restatement of asset values according to asset conditions: 1 July 2009	-	-
	Accumulated depreciation with regards to other lose assets restated & changes in useful lives recalculated: 1 July 2009	-	-
	Changes in useful lives of assets restatement of asset values according to asset conditions - revaluation: 1 July 2009	-	-
	Changes in useful lives of assets restatement of asset values according to asset conditions - revaluation: 1 July 2010	-	93 412
	First time recognition of intangeble assets - cost	-	-
	First time recognition of intangible assets - amortisation	-	-
	Intangible assets purchased 2010	-	597 913
	Total changes in accounting policies charged to Statement Of Changes in Net Assets	**-**	**691 325**
	Accumulated depreciation with regards to other lose assets restated & changes in useful lives recalculated: 1 July 2010	-	500 700
	Amortisation 2010	-	(82 687)
	Changes in Net Assets effecting Statement of Financial Performance	**-**	**418 013**
	Total	**-**	**62 553 830**

		2012 R	2011 R
34	**CASH GENERATED BY OPERATIONS**		
	Surplus for the year	(11 271 720)	13 623 428
	Adjustment for:-		
	Depreciation / Inpairments	3 776 742	3 343 567
	Impairments	18 664 664	24 956
	Amortisation of Intangible Assets	121 078	111 012
	Gain / Loss on disposal of property, plant and equipment	615 192	(254 056)
	Grants received (restated 2012)	86 365 123	89 947 488
	Grants recognised as revenue (Restated 2012)	(88 913 873)	(91 764 456)
	Contribution from/to Employee Benefits - Current	2 591 675	2 171 692
	Contribution from/to Employee Benefits - Current - Expenditure incurred	(2 083 374)	(1 959 964)
	Contribution from/to Employee Benefits - Non-Current	2 188 195	2 294 539
	Contribution from/to Employee Benefits - Non-Current - Expenditure incurred	(736 578)	(1 435 628)
	Contribution from/to Employee Benefits - Non-Current - Actuarial losses	1 514 214	413 589
	Contribution from/to Employee Benefits - Non-Current - Actuarial gains	(250 656)	-
	Impairment written off		580 000
	Operating lease expenses accrued	1 143	2 571
	Operating surplus before working capital changes:	***12 581 824***	***17 098 739***
	(Increase) / Decrease in Inventories	20 348	(96 729)
	(Increase) / Decrease in Other Receivables	747 122	978 657
	(Decrease) / Increase in Payables	3 101 167	(3 375 821)
	Decrease in Taxes	300 104	736 753
	Cash generated by operations	***16 750 565***	***15 341 599***
35	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 19.1	83 500 000	70 500 000
	Cash Floats - Note 19.3	3 300	3 300
	Bank - Note 19.2	2 710 864	2 624 852
	Total cash and cash equivalents	**86 214 164**	**73 128 152**
36	**RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES**		

	2012 R	2011 R
Cash and Cash Equivalents - Note 35	86 214 164	73 128 152
	86 214 164	**73 128 152**
Less:	**2 178 633**	**4 727 383**
Unspent Committed Conditional Grants - Note 5	**2 178 633**	**4 727 383**
Secured Investments	-	-
Net cash resources available for internal distribution	**84 035 531**	**68 400 769**
Allocated to:		
Capital Replacement Reserve	5 522 089	4 411 867
Employee Benefits	22 526 251	20 098 679
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Roll Reserve	-	-
Resources available for woking capital requirements	**55 987 191**	**43 890 223**

37 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 1	11 485 678	12 814 927
Used to finance property, plant and equipment - at cost	(11 485 678)	(12 814 927)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of between 9.21 % and 17.82 % and will be repaid by 2028	-	-

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

38. STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION FOR THE YEAR ENDED ON 30 JUNE 2012

Description	Original Budget	Budget Adjustments	Virement	Final budget	Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome As % Of Final Budget	Actual Outcome As % Of Original Budget
Financial Performance									
Property rates	-	-	-	-	-		-	0%	0%
Service charges	-	-	-	-	-	-	-	0%	0%
Investment revenue	4 878 000	4 878 000	-	**4 878 000**	5 491 386	-	(613 386)	113%	113%
Transfers recognised - operational	95 603 000	101 408 600	-	**101 408 600**	88 913 873	-	12 494 727	88%	93%
Other own revenue	1 035 400	1 035 400	-	**1 035 400**	840 282	-	195 118	81%	81%
Total revenue (excluding capital transfers and contributions)	**101 516 400**	**107 322 000**	**-**	**107 322 000**	**95 245 541**	**-**	**12 076 459**	**89%**	**94%**
Employee costs	38 459 190	38 474 990	-	**38 474 990**	33 908 509	-	4 566 481	88%	88%
Remuneration of councilors	5 521 430	5 521 430	-	**5 521 430**	4 595 182	-	926 248	83%	83%
Debt impairment	3 000	3 000	-	**3 000**	-	-	3 000	0%	0%
Depreciation & asset impairment	3 625 550	3 625 550	-	**3 625 550**	22 562 484	-	(18 936 934)	622%	622%
Finance charges	2 015 410	2 015 410	-	**2 015 410**	3 258 997	-	(1 243 587)	162%	162%
Materials and bulk purchases	3 847 550	3 427 150	-	**3 427 150**	2 313 608	-	1 113 542	68%	60%
Transfers & grants	37 315 850	42 664 050	-	**42 664 050**	26 381 679	-	16 282 371	62%	71%
Other expenditure	15 033 280	15 686 670	-	**15 686 670**	13 245 210	-	2 441 460	84%	88%
Total Expenditure	**105 821 260**	**111 418 250**	**-**	**111 418 250**	**106 265 668**	**-**	**5 152 582**	**95%**	**100%**
Transfers recognised - capital	-	-		-	-		-	0%	0%
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	0%	141%
Surplus / (Deficit) after capital transfers & contributions	**(4 304 860)**	**(4 096 250)**	**-**	**(4 096 250)**	**(11 020 127)**	**-**	**6 923 877**	**269%**	**256%**
Share of surplus / (deficit) of associate	-	-	-	-	-	-	-	0%	0%
Surplus / (Deficit) for the year	**(4 304 860)**	**(4 096 250)**	**-**	**(4 096 250)**	**(11 020 127)**	**-**	**6 923 877**	**269%**	**256%**

FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

38. STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION FOR THE YEAR ENDED ON 30 JUNE 2012

Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	-	-	-	**-**	-	-	-	0%	0%
Public contributions & donations				**-**		-	-	0%	0%
Borrowing				**-**		-	-	0%	0%
Internally generated funds	2 987 600	4 415 020	-	**4 415 020**	2 198 554	-	(714 490)	50%	74%
Total sources of capital funds	**2 987 600**	**4 415 020**	**-**	**4 415 020**	**2 198 554**	**-**	**(714 490)**	**50%**	**74%**
Cash Flows									
Net cash from (used) operating	19 122 097	13 788 953	-	**13 788 953**	16 750 565	-	(2 961 612)	121%	88%
Net cash from (used) investing	(2 896 100)	(4 393 170)	-	**(4 393 170)**	(2 375 444)	-	(2 017 726)	54%	82%
Net cash from (used) financing	1 020 332	1 020 330	-	**1 020 330**	(1 289 109)	-	2 309 439	-126%	-126%
Cash / cash equivalents at year end	**45 006 524**	**55 143 948**	**-**	**55 143 948**	**86 214 164**	**-**	**(31 070 216)**	**156%**	**192%**

		2012 R	2011 R
39	**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**		
39.1	**Unauthorised expenditure**		
	Reconciliation of unauthorized expenditure		
	Opening balance	-	447 035
	Unauthorised expenditure current year	40 340	-
	Non cash unauthorised for the year	4 817 435	-
	Recovered amounts	-	(447 035)
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery (Note 8.2)	-	-
	Unauthorised expenditure awaiting authorisatior	4 857 775	-

Exept for unauthorised use of operational funds for capital expenditure of R40,340, no other unauthorised expenditure occurred. The amount has been approved by council on 25 July 2012
The non cash unauthorised expenditure consist of overspending on impairment losses and finance charge on staff benefits that cannot be determined beforehand

39.2	**Fruitless and wasteful expenditure**		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	5 253	3 966
	Fruitless and wasteful expenditure current year	-	66 478
	Condoned or written off by Council	-	(61 224)
	Recovered	-	(3 966)
	To be recovered – contingent asset	-	-
			-
	Fruitless and wasteful expenditure awaiting condonemen	**5 253**	***5 253***

Except for interest paid to the amount of R5 253 which has been discovered during the audit, all other expenses has been submitted and approved by council.

39.3	**Irregular expenditure**		
	Reconciliation of irregular expenditure		
	Opening balance	8 945 792	7 084 067
	Irregular expenditure current year	2 144 717	1 861 725
	Approved by Council or condoned	-	-
	Transfer to receivables for recovery	-	-
	Irregular expenditure awaiting authorisatior	**11 090 508**	**8 945 792**

Except for supply chain management processes not followed to the amount of R11,213,523, all other expenses has been submitted and approved by council.
R11,173,359 has bees approved by council on 25 July 2012.

		2012 R	2011 R
39.4	**Material Losses**		
	Electricity distribution losses		
	Units purchased (Kwh)	-	-
	- Units lost during distribution (Kwh)	-	-
	- Percentage lost during distribution	-	-
	Water distribution losses		
	- Mega liters purified	-	-
	- Mega liters lost during distribution	-	-
	- Percentage lost during distribution	-	-
	No material losses occurred during the year		
40	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
40.1	**Contributions to organized local government**		
	Opening balance	-	-
	Council subscriptions	305 936	253 768
	Amount paid – current year	(305 936)	(253 768)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	**-**	**-**
40.2	**Audit fees**		
	Opening balance	-	-
	Current year audit fee	1 328 533	1 070 507
	Amount paid – current year	(1 328 533)	(1 070 507)
	Amount paid – previous years	-	-
	Balance unpaid (included in creditors)	**-**	**-**
40.3	**PAYE and UIF**		
	Opening balance	-	1 438
	Current year payroll deductions	6 404 571	5 808 371
	Amount paid – current year	(6 402 268)	(5 808 371)
	Amount paid – previous years	-	(1 438)
	Balance unpaid (included in Trade Payables)	***2 303***	**-**

		2012 R		2011 R
40.4	**Pension and Medical Aid Deductions**			
	Opening balance	-		-
	Current year payroll deductions and Council Contributions	6 254 673		8 244 460
	Amount paid – current year	(6 252 941)		(8 244 460)
	Amount paid – previous years	-		-
	Balance unpaid (included in Trade Payables)	***1 732***	*ss*	**-**

40.5 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

Supply Chain Management Policy has been amended and adopted by Council with an effective date of 1st January 2008 for implementation..

The following deviations were allowed in terms of the Supply Chain Policy for the year under review.

Supplier	**Service**	**Amount**
2012		
Electro Labs	Replacement & Repair of UPS batteries	42 209
HR Concepts	Analysis of the organisational structure for grading purposes	28 520
High Voltage Electrical	Construction of 11Kv powerline	227 972
First Technology	Upgrate of DRP Project	281 371
Mojalefa Trading	Roofing for recreation hall	71 207
CQS Tecgnology	Acquisition of data analysis tool	113 658
Imperial Isuzu	Purchase refuse truck	1 843 819
Wills Construction	Repair & Construc emergency houses	805 200
Mojalefa Trading	Alterations to recreation hall	57 440
Momar	Procure sanitation chemicals for Dikgatlong	30 341
HR Concepts	Task job evaluation system	23 824
Ngaola Leuba Trading	Waste recycling project	48 919
Bafana Bafana	Constuct powrline in Koopmansfontein	31 497
Interconnect Systems	Install cable rack	5 679
Mooks Electrical	Power redundant instllation	193 629
Drumbeat Safaries	Train Tourism Site Guides	76 095

		2012 R	2011 R
Headline Leasure	Businessplan Competition	46 850	
C- Squard consumer connectedness	Outfits for SAMSRA Games	48 826	
Little Switserland Resort	Accommodation for aSAMSRA Games	234 380	
National flag and brandering	Purghase of flags	32 067	
Deborah Seema	Tourism Gradinf Support Plan	100 000	
Space Age Technology	Disaster Recovery Upgrade	106 704	
Premier Auto	Procure Captiva	278 908	
Gibela Trade Invest	Purchase of caravan	202 977	
Bafana Bafana	Constuct powrline in Koopmansfontein	2 140 992	
Arch Actuarial Consulting	Actuarial services	46 170	
Total		**4 243 504**	

2011

Mubesco Africa	Review of Accounting and Asset policies		125 856
Matsapa Trading	Erect fence in Koopmansfontein		199 346
CQS Technology Holdings	Data Analytical Software (Internal Audit)		60 848
ESRI South Africa	GIS Server		67 431
Muncomp Systems (PTY)	Munadmin Training		35 832
Kallima Graphics & Web Design	Develop Web Page		35 000
HR Concepts	Develop Job Descriptions		13 680
Coen Frankel Landmeters	Survey of Koopmansfontein properties		95 363
M Gool trading as Mooks Electrical	Issuing of compliance certificate		228 000
Bargain Tents	Tents for flood victims		270 000
Lavender Moon Trading	Water purification Programme		127 338
Econ-Mine trading as Urban Econ	Feasibility study - Phokwane Vegetable Garden		98 040
Bits & nPeases	Training for beading & sewing		41 315
VIP Softline	Upgrade software		199 293
Rovic & Leers	Farming Tractor		249 090
Gibela Trade & Investment	Caravan for Grader		202 977
MHP Geospace	Land Audit		99 864
Business Connexion	Consulting services		442 456
ITEC Northern Cape	Maintenance contract on Lexmark Printer		1.30 Per Copy
Kimberley Bakkie Centre	Trade in Redundant Vehicles (Receipt)		55 000
Total		**-**	**2 646 728**

40.6 Non-Compliance - Section 125(2) (e) of the Municipal Finance Management Act

No matters to report

		2012 R	2011 R
40.7	**Awards to close family members of persons in service of the state - Section 45 of the Supply Chain Regulations**		
	The wife of PF de Klerk, sole member of Panprop CC trading as Valudata, is an employee of the Sal Plaatje Municipality	75 250	-
41	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure		
	Approved and contracted for	**-**	**97 507**
	Other Assets	-	52 507
	Community	-	45 000
	Heritage	-	-
	Approved and not yet contracted for	**9 013 270**	**3 399 680**
	Other Assets	9 013 270	3 399 680
	Community	-	-
	Heritage	-	-
	The expenditure will be financed from		
	External Borrowings	-	-
	Internal Funding (Own Resources)	9 013 270	3 497 187
		9 013 270	***3 497 187***

42 CONTINGENT LIABILITIES

42.1 ***Implementation of Task***

According to the Office Bearers Act, a district municipality will be rated at the highest level at which the local municipalities in its DMA are rated. FBDM is therefore rated at Grade 4. However, with the implementation of Task by SALGA, the municipality has been rated at Grade 2. A dispute has been declared, the outcome of which is still pending. The implication of the regrading is:

Should the appeal be succesful, i.e. a higher grading, a salary increase is envisaged.
Should the appeal not succeed, the status quo remains.

Registration of landfill site - Magareng Municipality

42.2 *The District Municipality assisted Magareng Municipality to register the landfill site. The site was incorrectly registered in the name of the District Municipality. Steps has been implemented to correct this error and to issue a new permit for the Magareng Municipality.*

42.3 ***Labour Disputes***

The District Municipality have one labour case pending against the municipality. The estimated legal cost that will be inccurred in order to finalise the matter amounts to R50,000.

42.4 ***Implementation of the "e" Venus Fiancial System***

Dikgatlong Local Municipality have declared a dispute with Business Connexion - BCX with regard to outstanding invoices to the estimated amount of R648,468 not paid in respect of the implementation and support on the "e" Venus Financial system since January 2010. As the District Municipallty have entered into to an agreement with Business Connexion - BCX on the implementation of the financial system the dispute is likely to escalate to the District Municipality as indicated by Dikgatlong Municipality.

Wage Curve Dispute SALGA / IMATU

The Trade Union, IMATU, contested the implementation of a wage curve agreement in the Labour Court and the court ruled in favour of IMATU. The Employers Organisation, SALGA, resolved to take the ruling of the Labour Court on review. The effect of the ruling is a general 2% increase in remuneration as from October 2009.

43 FINANCIAL RISK MANAGEMENT

The activities of the District Municipality exposed it to a variety of financial risks, including market risk (comprising currency risk,fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The District Municipality's risks are:

43.1 Foreign Exchange Currency Risk:
The District Municipality does not engage in foreign currency transactions.

43.2 Price Risk
The municipality is not exposed to price risk.

43.3 Interest Rate Risk:
As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continous basis. Different scenarious are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarious, the entity calculates the impact that a change in interest rates will have on the surplus/defecit for the year. These scenarious are only simulated for liabitities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0.5% (2011 - 0.5%) Increase in interest rates	*366 961*	*295 086*
0.5% (2011 - 0.5%) Decrease in interest rates	*(366 961)*	*(295 086)*

43.4 Credit Risk:

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note for balances included in receivables that were re-negotiated for the period under review.

No trade and other receivables are pledged as security for financial liabilities.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2011 %	2011 R	2010 %	2010 R
Water	-	-	-	-
Rates	-	-	-	-
	-	-	-	-

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although te credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

	2012 R	2011 R
Investments	-	-
Borrowings	*12 818 588*	*14 107 697*
Current Portion of Borrowings	*1 332 911*	*1 292 770*
Long Term Receivables	-	-
Trade receivables from exchange transactions	-	-
Other receivables from non-exchange transactions	*1 680 585*	*2 184 489*
Current Portion of Long-term Receivables	-	-
Short-term Investment Deposits	*83 500 000*	*70 500 000*
Current Investments	*2 900 000*	*2 900 000*
Bank and Cash Balances	*2 714 164*	*2 628 152*
Maximum Credit and Interest Risk Exposures	***104 946 248***	***93 613 109***

43.5 Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	***Between 1 and 5 years***	***Between 5 and 10 years***	***Over 10 Years***
2012				
Long Term liabilities	***2 694 380***	***12 001 606***	***6 648 018***	***-***
Capital repayments	*1 332 911*	*7 929 517*	*5 680 422*	*-*
Interest	*1 361 470*	*4 072 089*	*967 596*	*-*
Trade and Other Payables	*5 368 725*	*-*	*-*	*-*
Unspent conditional government grants and receipts	*2 178 633*	*-*	*-*	*-*
	10 241 738	***12 001 606***	***6 648 018***	***-***

			2012 R	2011 R
2011				
Long Term liabilities	*2 799 899*	*14 148 780*	*5 318 414*	*-*
Capital repayments	*1 292 770*	*8 153 548*	*4 661 379*	*-*
Interest	*1 507 129*	*5 995 232*	*657 036*	*-*
Trade and Other Payables	*2 267 558*	*-*	*-*	*-*
Unspent conditional government grants and receipts	*4 727 383*	*-*	*-*	*-*
	9 794 840	*14 148 780*	*5 318 414*	*-*

44 FINANCIAL INSTRUMENTS

The financial sets of the municipality are classified as follows:

Financial Assets	**Classification**		
Investments			
Term Deposits	Financial instruments at amortised cost	2 900 000	2 900 000
Shares	Financial instruments at fair value	2 900 000	6 218
Long-term Receivables			
Staff Loans	Financial instruments at amortised cost	-	-
Consumer Debtors			
Trade receivables from exchange transactions	Financial instruments at amortised cost	-	-
Other Debtors			
Payments made in Advance	Financial instruments at amortised cost	117 852	-
Current Portion of Long-term Receivables			

		2012 R	2011 R
Staff Loans	Financial instruments at amortised cost	-	-
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	83 500 000	70 500 000
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	2 710 864	2 624 852
Cash Floats and Advances	Financial instruments at amortised cost	3 300	3 300

SUMMARY OF FINANCIAL ASSETS

Financial instruments at amortised cost			
Investments	Term Deposits	-	2 900 000
Investments	Shares	2 900 000	6 218
Short-term Investment Deposits	Call Deposits	83 500 000	70 500 000
Bank Balances		2 710 864	2 624 852
Cash Floats and Advances		3 300	3 300
Long-term Receivables	Staff Loans	-	-
Taxation Revenue	Non-Exchange Transactions	-	-
Consumer Debtors	Exchange transactions	-	-
Other Debtors	Payments made in advance	117 852	-
Current Portion of Long-term Receivables	Staff Loans	-	-
		89 232 016	**76 034 370**

FINANCIAL LIABILITIES

Financial liabilities	**Classification**		
Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	11 485 678	12 780 628
Capitalised Lease Liability	Financial instruments at amortised cost	0	34 299

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
Provisions		28 550 739	25 327 263
Creditors			
Trade creditors	Financial instruments at amortised cost	2 018 012	-
Payments received in advance	Financial instruments at amortised cost	11 814	37 252
Retentions	Financial instruments at amortised cost	341 906	432 923
Other creditors	Financial instruments at amortised cost	2 996 994	1 797 383
Operating Lease Liability			
Operating Lease Liability	Financial instruments at amortised cost	-	-
Current Portion of Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	1 332 911	1 292 770
Total Financial Liabilities		**46 738 053**	**41 702 518**

45 EVENTS AFTER THE REPORTING DATE

None at reporting date

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

47 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in note 38, Annexures "E (1) and E (2)".

48 RELATED PARTY TRANSACTIONS

	Rates	Service Charges	Other	Outstanding Balances
48.1 Year ended 30 JUNE 2011				
Councillors	-	-	-	-
Municipal Manager and Section 57 Employees	-	-	-	-
Year ended 30 JUNE 2010				
Councillors	-	-	-	
Municipal Manager and Section 57 Employees	-	-	-	

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

48.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 12 to the Annual Financial Statements.

48.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 24 to the Annual Financial Statements.

48.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Councillor/Staff Member	Entity

APPENDIX A (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 01/07/2010	Received during the period	Redeemed written off during the period	Balance at 30/06/2011	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
LONG-TERM LOANS			**R**	**R**	**R**	**R**	**R**	**R**
Registered Stock Loans			-	-	-	-		
Total Long-Term Loans			-	-	-	-	-	-
ANNUITY LOANS								
DBSA Loan:-								
Frances Baard council Chamber & Offices	103363/1	10 Years	13 948 476	-	**1 164 186**	**12 784 290**		
Total Annuity Loans			**13 948 476**	-	**1 164 186**	**12 784 290**	-	-
GOVERNMENT LOANS								
			-	-	-	-		
Total Government Loans			-	-	-	-	-	-
LEASE LIABILITY								
Lease Liability			159 221	-	**124 923**	**34 299**		
Total Lease Liability			**159 221**	-	**124 923**	**34 299**	-	-
TOTAL EXTERNAL LOANS			**14 107 697**	-	**1 289 109**	**12 818 588**	-	-

APPENDIX B (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012

30 June 2012	Cost / Revaluation								Accumulated Depreciation								Carrying Value	Budget Additions 2012
	Balance at 01/07/2011	Transfers to / from other categories	Restated balance	Additions	Revaluation Movements / Impairments	Under Construction	Disposals	Balance at 30/06/2012	Balance at 01/07/2011	Transfers to / from other categories	Change in Accounting Policy - 2011	Restated balance	Change in Accounting Policy - 2012	Additions	Impairments	Disposals	Balance at 30/06/2012		
COMMUNITY ASSETS																			
Land & Buildings	106 676	-	106 676	-	-	-	-	106 676	53 338	-	-	53 338	-	10 668		-	64 006	42 670	-
Security Measures	542 676	-	542 676	4 293	-	-	101 754	445 214	175 098	-	-	175 098	-	73 489		65 292	183 295	261 919	300 000
Total: Community Assets	**649 351**	**-**	**649 351**	**4 293**	**-**	**-**	**101 754**	**551 890**	**228 436**	**-**	**-**	**228 436**	**-**	**84 157**	**-**	**65 292**	**247 300**	**304 590**	**300 000**
HERITAGE ASSETS																			
Statues	627 427	-	627 427	3 990	-	-	-	631 417	-	-	-	-	-	-	-	-	-	631 417	4 000
Total: Heritage Assets	**627 427**	**-**	**627 427**	**3 990**	**-**	**-**	**-**	**631 417**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**631 417**	**4 000**
OTHER ASSETS																			
Land & Buildings	42 662 839	-	42 662 839	1 041 584	(2 876 313)	-	-	40 828 109	5 220 446	-	-	5 220 446	-	1 351 797	-	-	6 572 243	34 255 867	1 185 000
Office Equipment	3 148 667	-	3 148 667	81 032	-	-	228 621	3 001 077	898 921	-	-	898 921	-	431 825	-	141 268	1 189 479	1 811 598	49 300
Office Equipment - Finance leases	337 110	-	337 110	-	-	-	-	337 110	76 251	-	-	76 251	-	48 159	-	-	124 409	212 700	-
Furniture & Fittings	2 964 019	-	2 964 019	39 992	-	-	36 727	2 967 284	1 038 668	-	-	1 038 668	-	373 923	-	21 286	1 391 305	1 575 979	33 000
Plant & Machinery	1 983 809	-	1 983 809	15 869	-	-	48 784	1 950 894	538 295	-	-	538 295	-	303 302	-	27 102	814 494	1 136 400	122 000
Plant & Machinery - Residual Value	298 000	-	298 000	-	-	-	-	298 000	-	-	-	-	-	-	-	-	-	298 000	-
Emergency Equipment	974 092	-	974 092	-	-	-	-	974 092	297 448	-	-	297 448	-	108 484	-	-	405 932	568 160	-
Motor Vehicle	2 338 706	-	2 338 706	465 612	-	-	112 194	2 692 124	978 636	-	-	978 636	-	330 461	-	72 914	1 236 183	1 455 941	470 000
Motor Vehicle - Residual Value	1 254 382	-	1 254 382	-	-	-	128 111	1 126 271	-	-	-	-	-	-	-	-	-	1 126 271	-
Land Fill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	5 058 607	-	5 058 607	546 182	-	-	652 921	4 951 868	1 389 522	-	-	1 389 522	-	744 635	-	366 058	1 768 099	3 183 769	1 286 700
Total: Other Assets	**61 020 229**	**-**	**61 020 229**	**2 190 271**	**(2 876 313)**	**-**	**1 207 358**	**59 126 829**	**10 438 187**	**-**	**-**	**10 438 187**	**-**	**3 692 585**	**-**	**628 628**	**13 502 143**	**45 624 686**	**3 146 000**
Less transferred to Non - Current Assets Held for Sale	-			-				(148 602)	-			(50 025)					(73 447)	(75 155)	
Discontinued operations	(154 876)		(154 876)	-				-									-	-	
TOTAL ASSETS	**62 142 132**	**-**	**62 142 132**	**2 198 554**	**(2 876 313)**	**-**	**1 309 112**	**60 161 534**	**10 666 622**	**-**	**-**	**10 616 597**	**-**	**3 776 742**	**-**	**693 920**	**13 675 997**	**46 485 537**	**3 450 000**

R45 000 under community assets still under consruction

APPENDIX C (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost										ACCUMULATED DEPRECIATION					
	Balance at 01/07/2011	Residual Value at 1 July 2011	Additions		Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Transfers / Adjustments	Balance at 30/06/2012	Balance at 01/07/2011	Additions / Impairments	Disposals	Transfers / Adjustments	Balance at 30/06/2012	Carrying Value
Municipal Governance & Administration	**10 307 200**	**1 128 417**	**672 930**		**169 990**	**-**	**961 033**	**128 111**	**-**	**11 189 393**	**3 362 019**	**1 417 677**	**552 422**	**-**	**4 227 275**	**6 962 119**
Executive & Council	**2 399 300**	**-**	**37 916**		**-**	**-**	**63 898**	**-**	**-**	**2 373 318**	**889 640**	**293 737**	**36 889.62**	**-**	**1 146 487**	**1 226 831**
Mayor & Council	1 779 939		1 550			-	38 772		-	**1 742 717**	651 329	223 314	23 367	-	**851 275**	**891 441**
Office of the Municipal Manager	619 361		36 366			-	25 126		-	**630 602**	238 311	70 423	13 523	-	**295 212**	**335 390**
Budget & Treasury Office	**2 866 977**	**1 128 417**	**125 334**		**169 990**	**-**	**129 003**	**128 111**	**-**	**4 033 605**	**1 305 551**	**347 543**	**86 555**	**-**	**1 566 539**	**2 467 065**
Corporate Services	**5 040 923**		**509 679.74**			**-**	**768 131.93**		**-**	**4 782 470**	**1 166 828**	**776 397**	**428 977**	**-**	**1 514 248**	**3 268 222**
Human Resources	53 496	-	-		-	-	736	-	-	**52 760**	23 401	6 159	382		29 179	23 581
Information Technology	3 912 493	-	500 384		-	-	548 607	-	-	**3 864 270**	746 609	640 869	298 833		1 088 645	2 775 625
Other Admin	1 074 933	-	9 296		-	-	218 789	-	-	**865 440**	396 818	129 369	129 762		396 424	469 016
Community Services & Public Safety																
Community & Social Services	**1 643 717**	**125 965**	**42 985**		**-**	**-**	**691**	**-**	**-**	**1 811 975**	**389 099**	**237 191**	**359**	**-**	**625 931**	**1 186 045**
Community Services										-						
Public Safety - Civil Defense	1 323 231	73 965	1 101		-	-	691	-		**1 397 606**	309 395	184 979	*359*		**494 016**	**903 590**
Housing	320 485	52 000	41 884		-	-	-	-		**414 370**	79 704	52 211	-		**131 915**	**282 455**
Economic & Environmental Services	**48 793 709**	**298 000**	**1 312 649**	**(2 876 313)**	**-**	**45 000**	**170 494**	**-**	**-**	**47 402 551**	**6 915 504**	**2 121 872**	**114 038**	**-**	**8 923 339**	**38 479 213**
Planning & Development	48 514 202	298 000	1 312 649	(2 876 313)	-	45 000	170 494	-		**47 123 044**	6 793 420	2 089 683	114 038		**8 769 065**	**38 353 979**
Environmental Protection	279 508	-	-		-	-	-	-		**279 508**	122 085	32 189	-		**154 274**	**125 234**
TOTAL PER STANDARD CLASSIFICATION	**60 744 626**	**1 552 382**	**2 028 564**	**(2 876 313)**	**169 990**	**45 000**	**1 132 218**	**128 111**	**-**	**60 403 920**	**10 666 622**	**3 776 740**	**666 818**	**-**	**13 776 544**	**46 627 376**
Less transferred to Non- Current Assets Held for Sale	-154 876									(148 602)					(73 446.66)	**(75 154.88)**
Discontinued operations										-					-	-
Total Assets	**60 589 750**	**1 552 382**	**2 028 564**	**-2 876 313**	**169 990**	**45 000**	**1 132 218**	**128 111**	**-**	**60 255 319**	**10 666 622**	**3 776 740**	**666 818**	**-**	**13 703 097**	**46 552 221**

**** Internal Transfers***

APPENDIX D (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2012

Actual Income 2011 R	Actual Expenditure 2011 R	Surplus / (Deficit) 2011 R		Actual Income 2012 R	Actual Expenditure 2012 R	Surplus / (Deficit) 2012 R
71 936 688	**(41 835 214)**	**30 101 474**	**Municipal Governance & Administration**	**76 734 314**	**(43 317 097)**	**33 417 216**
1 393 914	(12 762 910)	(11 368 996)	Executive & Council	1 762 682	(12 613 264)	(10 850 582)
1 393 914	(6 885 899)	(5 491 985)	Mayor & Council	1 738 682	(7 324 473)	(5 585 791)
-	(5 877 011)	(5 877 011)	Office of the Municipal Manager	24 000	(5 288 790)	(5 264 790)
70 542 774	(17 026 419)	53 516 355	Budget & Treasury Office	74 971 632	(18 241 613)	56 730 019
-	(12 045 885)	(12 045 885)	Corporate Services	-	(12 462 221)	(12 462 221)
-	(3 079 489)	(3 079 489)	Human Resources	-	(3 444 611)	(3 444 611)
-	(3 867 269)	(3 867 269)	Information Technology	-	(3 526 742)	(3 526 742)
-	(5 099 127)	(5 099 127)	Other Admin	-	(5 490 868)	(5 490 868)
3 045 077	**(4 770 540)**	**(1 725 463)**	**Community Services & Public Safety**	**3 148 561**	**(6 519 213)**	**(3 370 652)**
961 842	(2 622 317)	(1 660 475)	Community & Social Services	-	(3 351 664)	(3 351 664)
-	-	-	Community Services	-	-	-
961 842	(2 622 317)	(1 660 475)	Public Safety - Civil Defense	-	(3 351 664)	(3 351 664)
2 083 235	(2 148 223)	(64 988)	Housing	3 148 561	(3 167 549)	(18 988)
22 860 632	**(37 992 689)**	**(15 132 057)**	**Economic & Environmental Services**	**15 362 667**	**(56 429 358)**	**(41 066 691)**
22 706 787	(36 280 091)	(13 573 304)	Planning & Development	10 301 029	(52 737 882)	(42 436 853)
153 845	(1 712 598)	(1 558 753)	Environmental Protection	5 061 638	(3 691 476)	1 370 162
97 842 396.88	**(84 598 443.00)**	**13 243 953.88**	**SUB TOTAL**	**95 245 541**	**(106 265 668.31)**	**(11 020 127)**
428 377	(48 903.38)	379 473	Discontinued Operations		(251 593)	(251 593)
98 270 774	**(84 647 346)**	**13 623 427**	**TOTAL**	**95 245 541**	**(106 517 261)**	**(11 271 720)**

APPENDIX E1 (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

	Actual R	Budget R	Variance R	Variance %	Explanation of Significant variances greater than 10 % versus Budget
REVENUE					
Property Rates - DMA	-	-	-	0.00%	Deviation not significant
Property rates - penalties imposed and collection charges	-	-	-	100.00%	Deviation not significant
Regional Service Levy Replacement Grant	67 645 000	67 645 000	-	0.00%	None
Government grants and subsidies	21 268 873	33 763 600	(12 494 727)	-37.01%	EPWP funds to the amount of R10,2m did not realised. All DWA funds not spended.
Actuarial Gains	250 656	-	250 656	100.00%	Under budget
Service charges	-	-	-	0.00%	
Rental of facilities and equipment	507 491	90 000	417 491	463.88%	Rental of grader nor correctly provided in budget
Interest earned - external investments	5 491 386	4 878 000	613 386	12.57%	Lower interest rates
Income for agency services	-	-	-	0.00%	Deviation not significant
Other income	82 135	865 400	(783 265)	-90.51%	Grader under utilised
Gains on disposal of property, plant and equipment	-	80 000	(80 000)	0.00%	Amount not significant
Total Revenue	**95 245 541**	**107 322 000**	**(12 076 459)**	**-12.68%**	
EXPENDITURE					
Executive & Council	12 613 264	17 095 590	(4 482 327)	-26.22%	Expenditure on Special Projects less than expected and vacant posts not filled
Budget & Treasury Office	18 241 613	15 821 550	2 420 063	15.30%	Deviation not significant
Corporate Services	12 462 221	15 598 150	(3 135 929)	-20.10%	Expenditure on Special Projects, Maintenance and consultancy less than expected and vacant posts not filled.
Planning & Development	52 737 882	50 340 510	2 397 372	4.76%	Overspending due to asset impairments
Housing	3 167 549	4 514 820	(1 347 271)	-29.84%	
Public Safety - Civil Defense	3 351 664	3 364 540	(12 876)	-0.38%	Deviation not significant
Environmental Protection	3 691 476	4 683 090	(991 614)	-21.17%	Under spending due to under spending on special projects
Total Expenditure	**106 265 668**	**111 418 250**	**(5 152 582)**	**-4.85%**	

APPENDIX E2 (Unaudited)

FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

Revenue	Actual R	Budget R	Variance R	Variance %	Explanation of Significant variances greater than 10 % versus budget
COMMUNITY ASSETS					
Land & Buildings	-	-	-	-100.00%	Still under construction - paid last year
Security Measures	4 293	300 000	(295 707)	0.00%	Budgeted under other assets and additional approvals by council
Total: Community Assets	**4 293**	**300 000**	**(295 707)**	100.00%	
HERITAGE ASSETS					
Statues	3 990	4 000	(10)	0.00%	None
	3 990	4 000	(10)	0.00%	
OTHER ASSETS					
Land & Buildings	1 041 584	1 185 000	(143 416)	-12.10%	Savings on building cost
Office Equipment	81 032	49 300	31 732	0.00%	
Furniture & Fittings	39 992	33 000	6 992	0.00%	Amount not significant
Plant & Machinery	15 869	122 000	(106 131)	0.00%	Savings
Emergency Equipment	-	-	0	0.00%	
Motor Vehicle	465 612	470 000	-4 387.75	0.00%	Deviation not significant
Computer Equipment	546 182	1 286 700	(740 518)	0.00%	Replacement of equipment did not realised. Budget for intangible assets included
			0		
Total Other Assets	**2 190 271**	**3 146 000**	**(955 729)**	**-43.64%**	
TOTAL ASSETS	**2 198 554**	**3 450 000**	**(1 251 436)**	**-56.92%**	